

# **French open-end investment fund (SICAV)**

## **LAZARD EURO SHORT DURATION SRI**

### **ANNUAL REPORT**

as of September 29th, 2023

**Management company: Lazard Frères Gestion SAS  
Custodian: CACEIS Bank  
Statutory auditor: Mazars**

## CONTENTS

1. Characteristics of the UCI	3
2. Changes affecting the UCI	10
3. Management report	12
4. Regulatory information	17
5. Certification by the Statutory Auditor	22
6. Annual financial statements	31
7. Appendix(es)	56
SFDR information	57

## 1. CHARACTERISTICS OF THE UCI

### LEGAL FORM

French open-end investment company (Société d'Investissement à Capital Variable - SICAV)

### CLASSIFICATION

Bonds and other euro-denominated debt securities.

### ALLOCATION OF DISTRIBUTABLE INCOME

Distributable income consists of:

- 1) net income plus retained earnings, plus or minus the balance of the revenue adjustment account. Net income for the financial year is equal to the amount of interest, arrears, dividends, bonuses and prizes, remuneration and all income generated by the securities that make up the UCI's portfolio, plus income generated by temporary cash holdings and minus management fees and borrowing costs.
- 2) Realised capital gains, net of charges, minus realised capital losses, net of charges, recognised by LAZARD for the financial year, plus any net capital gains of the same kind recognised over previous years that have not been distributed or accumulated, plus or minus the balance of the capital gains adjustment account.

The amounts referred to in 1) and 2) may be accumulated and/or distributed and/or retained independently of each other, in whole or in part.

#### Allocation of distributable income

##### **IC share**

Distributable income shall be fully accumulated, with the exception of those amounts subject to compulsory distribution by law.

##### **ID share**

Net income is distributed in full and the allocation of net realised capital gains is decided each year at the Shareholders' Meeting. It may pay interim dividends.

### INVESTMENT OBJECTIVE

#### IC shares, ID shares

The fund's investment objective is to achieve, by applying a Socially Responsible Investment (SRI) management approach, a performance net of management fees over the recommended investment horizon of 1 year that exceeds that of the following benchmark: ICE BofAML 1-3 Year Corporate. The benchmark index is expressed in EUR. Net dividends or coupons are reinvested.

### BENCHMARK INDEX

#### IC shares, ID shares

ICE BofAML 1-3 Year Corporate

The ICE BofAML 1-3 Year Corporate index in euros is published by ICE and consists of investment grade-rated bonds with a maturity of between one and three years, denominated in euro and issued by financial and non-financial companies. Transaction fees are included.

Data are available at: [www.indices.theice.com](http://www.indices.theice.com)

Bloomberg code: ER01

## INVESTMENT STRATEGY

### 1. Strategies used

By applying Socially Responsible Investment (SRI) management through the analysis and integration of environmental, social and governance (ESG) criteria, the SICAV aims to outperform the ICE BofAML 1-3 year Corporate (ER01) index, net of fees, by actively managing interest rate and credit risk through investment in short-maturity bonds. Interest rate risk will be managed independently within a sensitivity range of -2 to +5.

To build the portfolio, the manager conducts their own analysis of euro-denominated bonds and negotiable debt securities, of any subordination rank, at fixed, variable or indexed rates, issued by companies, financial institutions and States. He also refers to agency ratings but does not rely on them solely and mechanically.

Investments denominated in a currency other than the euro and exposure to foreign exchange risk may not exceed 10% of the net assets.

Investments will mainly be in securities rated investment grade by the rating agencies or an equivalent rating based on the management company's analysis. Investments in bonds rated as speculative/High Yield by the rating agencies or the equivalent based on the management company's analysis, and/or bonds not rated by a rating agency, are authorised up to a maximum of 20% of the net assets.

The portfolio may also include contingent convertible bonds for to a maximum of 20% of the net assets.

As an exception to the 5%-10%-40% ratios, the management team may invest more than 35% of the UCI's net assets in securities guaranteed by an EEA Member State or the United States.

Information on the SICAV's sensitivity range is shown in the table below.

		Investment		Exposure	
		Minimum	Maximum	Minimum	Maximum
Interest rate sensitivity range		-2	5	-2	5
Geographic zone of issuers	Europe zone	-	-	-	-
	All geographic zones	0	100%	0	100%

### ESG analysis and selection

ESG (environmental, social and governance) analysis is based on a proprietary model shared by the teams in charge of financial management in the form of an internal ESG grid. Based on the various data provided by our ESG partners (non-financial analysis agency, external service providers, etc.), annual reports and reports on the corporate social responsibility (CSR) of the companies monitored among all the stocks in the portfolio and direct exchanges with them, the analysts responsible for each stock monitored establish an internal ESG score based on an approach that is both quantitative (energy intensity, staff turnover rate, board independence rate, etc.) and qualitative (environmental policy, employment strategy, competence of directors, etc.). It takes into account the companies' main negative impacts in terms of sustainability, or Principal Adverse Impacts (carbon emissions, energy consumption, water consumption, waste production) and the risks likely to affect their own sustainability, or Sustainability Risks (regulatory and physical risks, reputational risk through, among other factors, monitoring of controversies).

The information relating to the main negative impacts on the sustainability factors is published in the periodic SFDR reports of the UCI, available on the website of the management company.

Each E, S and G pillar is rated from 1 to 5 (5 being the best score) based on at least ten relevant key indicators per dimension (energy intensity, staff turnover rate, board independence rate, etc.). The company's overall ESG rating summarises the scores for each pillar according to the following weighting: 30% for Environment and Social and 40% for Governance.

Based on these internal ESG analysis grids, the bond analyst-managers:

- Limit to 30% of the portfolio the proportion of issuers with a score of three or less for Investment Grade funds,
- Exclude issuers with a rating of 2 or less.

### SRI management

The UCI promotes environmental and/or social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088, the so-called "SFDR".

The UCI is managed in accordance with the principles of the SRI label defined by the French Ministry of Economy and Finance.

The inclusion of environmental, social and governance (ESG) criteria influences the analysis of companies held in the portfolio, stock picking and weighting.

The proportion of issuers covered by an ESG analysis in the portfolio must be at least 90%, excluding bonds and other debt securities issued by public or quasi-public issuers and cash held on an ancillary basis, and social impact assets (which are then capped at 10% of total assets).

As part of SRI management, the following impact indicators are reported at least once a year: Environmental criterion:

- Carbon emissions reduction initiatives

Social criterion:

- The percentage of women in senior management positions

Human rights criterion:

- The percentage of companies that are signatories to the United Nations Global Compact

Governance criterion:

- The percentage of independent directors

As part of SRI management, the analyst-managers ensure that an external ESG rating is maintained that is higher than that of a composite index made up of 90% of the ICE ER01 and 10% of the ICE HEAE after eliminating the 20% worst stocks.

The risk control department ensures compliance with this criterion.

#### Regulation (EU) 2020/852, known as the “Taxonomy Regulation”

The European Union Taxonomy aims to identify economic activities that are considered environmentally sustainable. The Taxonomy identifies these activities according to their contribution to six broad environmental objectives:

- Climate change mitigation,
- Climate change adaptation,
- Sustainable use and protection of water and marine resources,
- Transition to the circular economy (waste, prevention and recycling),
- Pollution prevention and control,
- Protection of healthy ecosystems.

To be considered sustainable, an economic activity must demonstrate that it contributes substantially to the achievement of one of the six objectives, while not harming any of the other five (the so-called DNSH principle, standing for “Do No Significant Harm”). In order for an activity to be considered aligned with the European Taxonomy, it must also respect the human and social rights guaranteed under international law.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

The minimum percentage of alignment with the European Union Taxonomy is 0%.

## 2. Assets excluding derivatives

### Equities:

A maximum of 5% of the net assets in ordinary shares. The SICAV will not invest actively in equities but may hold equities if they derive from a debt restructuring, typically following an exchange of shares for debt. The fund manager will do his best to sell the shares received as soon as possible depending on market conditions with a view to optimising the exit price for the shareholders.

Total exposure to equity risk may not exceed 10% of the net assets.

### Debt securities and money market instruments:

a) Up to a maximum of 100% of the net assets in euro-denominated bonds and debt securities rated investment grade by the rating agencies or the equivalent based on the management company's analysis.

b) Euro-denominated bonds and debt securities rated speculative or high yield or the equivalent by the management company, or unrated, for up to 20% of the net assets.

c) A maximum of 20% of the net assets in contingent convertible bonds.

d) Convertible bonds with low sensitivity to a change in the underlying share, for up to 10% of the net assets.

e) Securities issued by securitisation vehicles (*fonds communs de créances*) investing solely in physical assets as opposed to synthetic receivables, for up to 10% of the net assets.

### UCIs:

Money market UCITS-compliant or alternative investment funds, short-term money market or French bond funds for up to 10% of the net assets. Investment is solely in UCITS-compliant or alternative investment funds that in turn invest less than 10% of their assets in other UCIs. These UCIs may be managed by the management company.

## 3. Derivatives

- Types of markets:

- regulated
- organised
- OTC

- The manager intends to seek exposure to:

- equity
- interest rates
- foreign exchange
- credit
- other risks

- Transaction types - all transactions must be limited to achieving the investment objective:

- hedging
- exposure
- arbitrage
- other

- Types of instruments used:

#### futures:

- equity and equity indices
- interest rate: interest rate risk
- foreign exchange
- other

#### options:

- equity and equity indices
- interest rate
- foreign exchange
- other

#### swaps:

- equity swaps
- interest rate swaps: transformation of fixed-rate income to variable-rate income and vice versa
- currency swaps
- performance swaps

#### currency forwards

- credit derivatives (CDS allowed up to 100% of the net assets)
- other

- Derivatives strategy to achieve the investment objective:
  - partial or general hedging of the portfolio, some risks and securities
  - creating synthetic exposure to assets and risks
  - increasing exposure to the market without leverage
  - maximum permitted and sought
  - other strategy

The counterparties used by the SICAV's manager will be European Union credit institutions. The counterparties will not have a discretionary role; the rules will be established in advance by the SICAV's manager. The use of forward financial instruments must not involve overexposure.

#### 4. Securities with embedded derivatives

The manager may invest in all securities with embedded derivatives permitted under the management company's business plan and traded on regulated, organised or OTC markets, notably convertible bonds, puttable and callable bonds, warrants and, for up to 20% of the net assets, contingent convertible bonds.

Within this framework, the manager may take positions with a view to hedging the portfolio against and/or exposing it to particular business sectors, geographic regions, stocks and similar securities in order to achieve the investment objective.

Investment in securities with embedded derivatives is allowed for up to 100% of the net assets.

#### 5. Deposits

Up to 10% of the UCI's assets may be held in deposits.

#### 6. Cash borrowings

The UCI may borrow cash within the limit of 10% of its net assets to meet specific cash requirements related to its operating needs.

#### 7. Temporary purchases and sales of securities

None.

#### 8. Information on financial collateral

In connection with over-the-counter derivative transactions, and in accordance with Position paper 2013-06 issued by the French financial markets regulator (Autorité des Marchés Financiers - AMF), the SICAV may receive collateral in the form of securities (such as bonds or other securities issued or guaranteed by a State or issued by international financing agencies and bonds or securities issued by high quality corporate issuers), or cash. Any cash collateral received is reinvested in accordance with the applicable rules. All such assets must be from high-quality issuers that are not an entity of the counterparty or its group, and must be liquid and diversified with low volatility. Discounts may be applied to the collateral received; they take into account the quality of credit and the price volatility of the securities.

### RISK PROFILE

Notice:

Your money will be mainly invested in financial instruments selected by the management company. These instruments will be exposed to market trends and fluctuations.

#### ▪ Risk of capital loss

There is no guarantee of the UCI's performance or protection of capital. As such, the investor may not get back the full amount of the initial investment during redemption.

#### ▪ Risk associated with discretionary management

Discretionary management is based on anticipating market trends. The UCI's performance depends on both the securities and UCIs that the portfolio manager chooses and on the portfolio manager's allocation of assets. There is therefore a risk that the manager may not select the best-performing securities or choose the optimal asset allocation.

#### ▪ Interest rate risk

The risk of a decline in debt instruments as a result of changes in interest rates. This risk is measured by the level of sensitivity. For instance, bond prices tend to move in the opposite direction to interest rates. The net asset value may decline during periods when there is an increase (positive sensitivity) or decrease (negative sensitivity) in interest rates.

- **Credit risk**

The risk of a deterioration in the credit quality of or default by a public or private issuer. The UCI's exposure to issuers either through direct investment or via other UCI may give rise to a decline in the net asset value. In the case of exposure to unrated or speculative/High Yield debt, there is a significant credit risk which may cause the net asset value of the UCI to fall.

- **Derivative financial instrument risk**

The risk arising from the UCI's use of forward financial instruments (derivatives), which may lead to a bigger decrease in the net asset value than on the markets or in the underlying assets in which the UCI has invested.

- **Counterparty risk:**

The risk linked to the use of forward financial instruments traded over the counter. A transaction of this type with one or more counterparties potentially exposes the UCI to a risk of insolvency of one or more of these counterparties, which could lead to default on payment and cause a decrease in the UCI's net asset value.

- **Sustainability risk**

Any environmental, social or governance event or situation that, if it occurs, could have an actual or potential negative impact on the value of the investment. Specifically, the negative effects of sustainability risks can affect issuers via a range of mechanisms, including: 1) lower revenues; 2) higher costs; 3) damage or impairment of asset value; 4) higher cost of capital; and 5) fines or regulatory risks. Due to the nature of sustainability risks and specific issues such as climate change, the likelihood of sustainability risks impacting returns on financial products is likely to increase in the longer term.

- **ESG investment risk and methodological limitations**

Non-financial criteria can be integrated into the investment process using data provided by external providers or directly reported by our analysts, notably in our proprietary ESG analysis grid. Data may be incomplete or inaccurate due to the lack of international standards or systematic verification by external third parties. It can be difficult to compare data because issuers do not necessarily publish the same indicators. The unavailability of data may also force management not to include an issuer in the portfolio. The management company may therefore exclude securities of certain issuers for non-financial reasons, regardless of market opportunities.

## **GUARANTEE OR PROTECTION**

None.

## **ELIGIBLE SUBSCRIBERS AND TYPICAL INVESTOR PROFILE**

All subscribers seeking to optimise their investments in fixed-income instruments.

Subscribers are strongly advised to diversify their investments sufficiently to avoid exposure solely to the risks of this UCI.

### **Information on Russian and Belarusian investors**

In accordance with the provisions of EU Regulation No. 833/2014 as amended by EU Regulation No. 2022/328 and EC Regulation No. 765/2006 as amended by Regulation (EU) No. 2022/398, the subscription of units or shares in this UCI is prohibited to any Russian or Belarusian national, any natural person residing in Russia or Belarus or any legal person, entity or body established in Russia or Belarus. This prohibition does not apply to nationals of a Member State and to natural persons holding a temporary or permanent residence permit in a Member State of the European Union. This prohibition shall remain in effect for as long as the Regulations are in force.



**Information on US investors:**

The UCI is not registered as an investment vehicle in the United States and its units are not and will not be registered under the Securities Act of 1933 and, therefore, they may not be offered or sold in the United States to Restricted Persons, as defined hereafter. A Restricted Person is (i) any person or entity located in the United States (including US residents), (ii) any corporation or any other entity subject to the laws of the United States or any state thereof, (iii) any US military personnel or any employee of a US government department or agency located outside the United States, or (iv) any other person that would be considered a US Person under Regulation S of the Securities Act of 1933, as amended.

**FATCA:**

Pursuant to the provisions of the Foreign Account Tax Compliance Act ("FATCA") applicable as of July 1st, 2014, if the UCI invests directly or indirectly in US assets, the capital and income arising from such investments may be subject to withholding tax of 30%. To avoid paying the 30% withholding tax, France and the United States have entered into an intergovernmental agreement under which non-US financial institutions ("foreign financial institutions") agree to institute procedures for identifying direct or indirect investors who qualify as US taxpayers and to provide certain information about these investors to the French tax authorities, which will disclose said information to the US tax authority, the Internal Revenue Service. As a foreign financial institution, the UCI undertakes to comply with the FATCA and to take all appropriate measures pursuant to the aforementioned intergovernmental agreement.

The amount that it is reasonable to invest in this UCI depends on each investor's personal circumstances. To determine this, investors should take account of their personal financial situation, current needs and the recommended investment period, and should also consider their ability to assume risk or whether they prefer instead to opt for a more cautious investment.

This Fund may not be suitable for investors planning to withdraw their contributions within one year.

## 2. CHANGES AFFECTING THE UCI

The KIID of the **LAZARD EURO SHORT DURATION SRI SICAV** (ISIN code: FR0000027609) was converted to the KID PRIIPS (Key Information Document and Packaged Retail Investment and Insurance-based Products) on January 1st, 2023, in accordance with the European regulations aimed at standardising pre-contractual information on financial products intended for retail investors.

The Board of Directors of **LAZARD EURO SHORT DURATION SRI** (ISIN code: FR0000027609) on September 12th, 2023, proposed introducing the gates mechanism in the SICAV's prospectus. An Extraordinary Shareholders' Meeting has been called to include the gates mechanism in the articles of association and to amend the Prospectus.

➤ **Effective date: 07/11/2023.**

## Corporate governance (CSR) section

### I. List of appointments

Directors' names	Number of offices held	List of offices and functions
Benjamin Le Roux <i>Director of Lazard Frères Gestion SAS</i>	2	<ul style="list-style-type: none"><li>- Chairman and Chief Executive Officer of the Lazard Euro Short Duration SRI SICAV</li><li>- CEO and board member of the SICAV Lazard USD Money Market</li></ul>
Paul Castello <i>Managing Director of Lazard Frères Gestion SAS</i>	5	<ul style="list-style-type: none"><li>- Board member of the SICAVs:<ul style="list-style-type: none"><li>. Lazard Euro Short Duration SRI</li><li>. Norden Small</li><li>. Lazard Equity SRI</li><li>. Lazard Funds (<i>SICAV with sub-funds</i>)</li></ul></li><li>- CEO and board member of the SICAV Lazard Convertible Global</li></ul>

### II. Agreements covered by Article L. 225-37-4 para.2 of the French Commercial Code

The SICAV was not informed of the conclusion of any agreements covered by Article L. 225-37-4 para.2 of the French Commercial Code during the financial year ended September 29th, 2023.

### III. Table of currently valid delegations of powers granted by the Shareholders' Meeting, as stipulated in Article L. 225-37-4 para.3 of the French Commercial Code

No delegation of authority pursuant to Article L. 225-37-4 para.3 of the French Commercial Code was granted or was ongoing during the financial year ended September 29th, 2023.

### IV. Method of operation of the general management

The Board of Directors did not decide to combine the functions of Chairman and Chief Executive Officer, and will therefore be headed up by the Chairman and Chief Executive Officer.

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### 3. MANAGEMENT REPORT

#### PERFORMANCE

The performance of the IC shares over the period was: 3,34%.

The performance of the ID shares over the period was: 2,75%.

Performances vary over time and past performance is no guarantee of the UCI's future results.

The performance of the benchmark over the period was: 2,72%

#### ECONOMIC ENVIRONMENT

Despite central banks' efforts to curb activity and inflation, growth showed unexpected resilience in Western countries. US growth was robust, underpinned by household consumption. Growth in the Eurozone was modest, against a backdrop of deteriorating purchasing power and rapid transmission of the ECB's monetary tightening. However, the economic impacts of the energy crisis were less severe than feared. The collapse of three US regional banks and the disaster takeover of Credit Suisse in March 2023 could also have had a greater impact. Thanks to lower energy prices and the easing of supply tensions, inflation fell sharply in the US and Europe. However, it remained well above central bank targets, fuelled by the services sector and the still tight labour market situation. Against this backdrop, the Fed and the ECB continued to tighten their monetary policy. The Fed raised its key rate to 5,25%-5,50%, a 22-year high. The ECB raised the refinancing rate to 4,50% and the deposit rate to 4,00%, levels never before reached. In China, after a rebound following the lifting of health restrictions, growth lost momentum amid a slowdown in the real estate sector. Against this backdrop, global equity markets rebounded strongly, making up some of the losses recorded in 2022. US and European interest rates alternated between rises and falls before soaring in the summer of 2023 to reach their highest levels for more than ten years.

##### Economy

In the United States, GDP growth accelerated to +2,4% year-on-year in Q2 2023. Job creation slowed to an average of +266 000 per month. The unemployment rate rose to 3,8%. Annual hourly wage growth slowed to +4,2%. The year-on-year increase in consumer prices slowed to +3,7% and +4,1% excluding energy and food. The Fed raised its key rate by +2,25% to 5,25%-5,50%, in the following sequence: a +0,75% hike in November 2022, +0,50% in December 2022 and three consecutive +0,25% hikes in February, March and May 2023. The Fed took a first pause in June 2023, before a further 0,25% hike in July 2023 and a further pause in September 2023. In terms of unconventional measures, in March 2023 the Fed announced the creation of a new liquidity access mechanism ("Bank Term Funding Program") in response to the collapse of Silvergate Bank, Silicon Valley Bank and Signature Bank. In the U.S. midterm elections on November 8th, 2022, the Democrats retained their majority in the Senate and the Republicans won the House of Representatives.

In the Eurozone, GDP growth slowed to +0,5% year-on-year in Q2 2023, with contrasting trends between countries. GDP fell by -0,2% in Germany, while rising by +1,0% in France, +0,3% in Italy and +2,2% in Spain. PMI surveys improved until the spring of 2023 before deteriorating rapidly in the summer of 2023. The Eurozone unemployment rate fell to 6,4%. The year-on-year increase in consumer prices slowed to +4,3% and +4,5% excluding energy and food. The ECB raised its key rates by +3,25%, in the following sequence: +0,75% in October 2022, three consecutive hikes of +0,50% between December 2022 and March 2023 and four consecutive hikes of +0,25% between May and September 2023. The deposit rate was raised from +0,75% to +4,00% and the refinancing rate from +1,25% to +4,50%. In terms of unconventional measures, in December 2022 the ECB announced a reduction in the size of its APP portfolio from March 2023. In June 2023, the ECB announced that it would end reinvestments under this programme. In Italy, the right-wing coalition secured a clear victory in the general elections on September 25th, 2022. Giorgia Meloni was elected prime minister on October 22nd, 2022.

In China, GDP growth accelerated to +6,3% year-on-year in Q2 2023. Activity benefited from the complete lifting of health restrictions in December 2022. The real estate sector continued to struggle. The urban unemployment rate fell to 5,2%. Consumer prices remained stable. China's central bank cut its key rate by 0,25% to 2,50% and the reserve requirement ratio by 0,75% to 10,50%.

At the conclusion of the 20th CCP Congress in October 2022, Xi Jinping won a third term as General Secretary of the Party and head of the armed forces. Xi Jinping was formally re-elected President of the Republic during the annual session of the National People's Congress in March 2023. On this occasion, the government announced that it was aiming for growth of "around +5,0%" in 2023.

## MANAGEMENT POLICY

### September

Sovereign yields extended the August movement with a further sharp and relatively uniform rise (10Y Bund: +57bp to 2,11%). The Eurozone shows no sign of fragmentation, with French, Spanish and Portuguese yields rising in the same proportions. The most fragile/indebted countries, Greece and Italy, widened only slightly, in the latter despite the election victory of the far-right coalition. (10Y BTP: +62bp and Bund/BTP spread at 240bp). The ECB, then the Fed, each raised their key rates by 75bp, taking the deposit facility rate to 0,75% and the Fed Funds rate to 3,25%. Threats to growth, particularly in Europe, have not deterred central banks from their determination to curb inflation. As with yields, credit spreads trended upwards and even accelerated slightly compared with August. This time, the widening affected all asset classes. The portfolio's structure changed very marginally with a virtually unchanged sector and subordination allocation. Modified duration was actively managed between 0 and +2, remaining significantly lower than that of the index on average (+2). Since the beginning of October, the benchmark index now includes transaction charges in the calculation of performance.

### October

The strong upward movement in European sovereign yields marked a pause in October. The 10Y Bund rose by 3bp to 2,14% while peripheral bonds fell moderately (France: -4bp to 2,67%, Portugal: -4bp to 3,14% and Spain: -8bp to 3,22%), with the exception of Italy (-22bp to 4,16%), which probably benefited from Giorgia Meloni's maiden speech and the announcement of a relatively consensual cabinet. Volatility nonetheless remained very high: yields rose until the 24th, then the trend reversed, with PMIs holding some surprises. Lastly, the ECB's decision to raise its key interest rates by a further 75bp, combined with a relatively hawkish stance, drove yields up again. The relative calm in the UK, with the appointment of Rishi Sunak as prime minister, also contributed to the reversal in yields. In the US, the 10Y T-Note ended the month up 22bp to 4,05% despite the publication of PMIs that were worse than in Europe. Credit spreads tightened, supported by good Q3 earnings releases. The primary market remained active (financials: €16bn and corporates: €22bn according to Barclays). The portfolio's structure changed very marginally with a virtually unchanged sector and subordination allocation. Modified duration was actively managed between 0 and +2, remaining lower than that of the index on average (1,8).

### November

Sovereign yields fell sharply for the second time this year after July, in a reversal of the upward movement that began in January. The month started with another 75bp Fed Funds rate hike, the fourth consecutive one of this magnitude. From November 8th onwards, yields fell back, under the combined influence of rumours of an easing of China's zero-Covid policy, US earnings releases confirming the resilience of growth and employment, and less clearly hawkish communications from central banks. Future interest rate hikes are now expected to be smaller. Over the period, the yield on the 10-year T-Note dropped by 44bp, ending the month at 3,61%. Although the decline appears to be less severe in the Eurozone, it is nevertheless widespread: -21bp for the 10Y Bund to 1,93%, between 26bp and 28bp for France, Spain and Portugal to 2,40%, 2,94% and 2,87% respectively, -44bp for Italy to 3,87% and -48bp for Greece to 4,10%. This environment encouraged a general move back into risky assets, leading to a sharp tightening of credit spreads. The primary market remained active (financials: €44bn and corporates: €27bn according to Barclays). The portfolio's structure changed very marginally with a virtually unchanged sector and subordination allocation. Modified duration was actively managed between 0 and +2, remaining lower than that of the index on average (1,8).

### December

2022 will have been a watershed year for sovereign yields, combining a sharp rise with high volatility. The main driver was much higher-than-expected inflation, which reached multi-decade highs and led central banks to start their tightening cycle aggressively.

At the same time, investors had to contend with geopolitical turmoil, with Russia's invasion of Ukraine leading to massive spikes in energy and food prices. In December, the ECB and the Fed raised their key rates again, albeit to a lesser extent than the previous hikes, by 50bp versus 75bp. The ECB even surprised the markets by announcing it would start to reduce its balance sheet from March 2023 onwards. This resulted in widespread tightening in the Eurozone, with the 10y Bund up 64bp to end the year at 2,57% (vs. -0,18% at end-2021) but with the German curve remaining inverted.

Against this backdrop, credit spreads continued the tightening movement initiated in November, but ended 2022 with a widening. The primary market experienced its traditional lull in December, with supply reaching only €4,6bn.

The portfolio's structure changed very marginally with a virtually unchanged sector and subordination allocation. Modified duration was actively managed between 0 and +2, remaining lower than that of the index on average (1,8).

### January

The markets had a very good start to the year and sovereign yields fell across the board in January, generally dominated by the idea that the tightening of central banks' monetary policies was bearing fruit in terms of controlling inflation, and by the observation that the economy was slowing down, which was expected. Up to January 19th, 10-year yields fell by 50bp on both sides of the Atlantic, hitting lows on January 18th of 2,01% for the Bund and of 3,37% for the T-Note. On January 19th in Davos, Christine Lagarde firmly repeated that the goal was far from being achieved. The Bund therefore went back on the rise until the end of the month, cancelling out part of the fall observed until then, but ended the month at 2,28% (-28bp). Other sovereign debts in the zone fell more sharply, from 36bp to 40bp for France, Portugal and Spain, and by 50bp for Italy. In the United States, the decline was also halted on the 19th, with several Fed members also making statements arguing for firmness. The 10Y T-Note ended the month down 37bp at 3,51%. Against this backdrop, credit spreads continued to tighten, despite a very active primary market with €108bn issued according to Barclays (€70bn for financials and €39bn for corporates).

The portfolio's structure changed very marginally with a virtually unchanged sector and subordination allocation. The weight of HY-NR diversification increases at the margin as it approaches its maximum threshold. Modified duration was actively managed between 0 and +2, remaining lower than that of the index on average (1,8).

### February

Sovereign rates rose steadily throughout the month, more or less cancelling out the easing of January. The theme is fairly simple: inflation is falling but less than expected, and underlying inflation remains very high. This is fuelling continued strong rhetoric from central bankers and pushing back the prospects for a less restrictive monetary policy to at least 2024. The recovery of the Chinese economy is also inflationary. As a result, on 10-year yields, the T-Note was up 41bp to 3,92% and Germany and France rose 37bp to 2,65% and 3,12% respectively. The inversion of the yield curve has become even more pronounced, as the medium- to long-term growth outlook is bound to be affected by persistent inflation. Credit spreads ended the month tighter despite a widening in the second half of the month. Primary activity normalised in February, after an exceptional January, particularly for financials: €23bn for financials and €26bn for corporates.

The portfolio's structure changed marginally with a virtually unchanged sector and subordination allocation. The weight of HY-NR diversification was reduced by one quarter. Modified duration was actively managed between 0 and +2, remaining lower than that of the index on average (1,8).

### March

March was a very volatile month, the main event being the banking crisis, which triggered a 'flight to quality' in the markets, first in the United States following SVB's collapse and then propagating to Europe following UBS's emergency takeover of Credit Suisse. Sovereign bond yields fell by 30bp to 39bp in the Eurozone in March, except for Greece (-23bp). The Bund ended the month at 2,29% (-36bp). The fall was even more pronounced in the United States: -45bp for the 10Y T-Note to 3,47%. The yield curves steepened again as a result of an even steeper fall in short-term interest rates. The central banks had nevertheless raised their key rates as expected, by 25bp for the Fed and by 50bp for the ECB, drawing the consequences of an inflation that is showing only modest signs of abating. In this context of risk aversion and volatility, credit spreads widened significantly. Primary activity was down with the primary market closed for part of the month: €17bn for financials and €24bn for corporates.

The portfolio's structure changed marginally with a virtually unchanged sector and subordination allocation. The weight of HY-NR diversification was reduced by one quarter. Modified duration was actively managed between 0 and +1, remaining lower than that of the index on average (1,8).

### April

April was a fairly calm month on the financial markets after the turbulence of March. In the absence of major developments, the markets were able to regain their composure and investors accordingly turned their attention to the Fed, focusing on the probability of a 25bp rate hike in May. Added to this are growing concerns about the time crunch for raising the US debt ceiling. Meanwhile, the latest data continued to show that inflation remains resilient (PCE index +0,3% in March). Inflation also remained high in Europe.

Despite an easing in US yields (-5bp for the 10-year T-Note to 3,42%), sovereign bond yields tightened slightly in the Eurozone, from 2bp to 8bp. The Bund ended the month at 2,31% (+2bp). Against this backdrop, credit

spreads are tightening on IG credit, stable on HY credit and widening slightly on AT1 financials. The primary market was active: €21bn for financials and €19bn for corporates.

The portfolio's structure changed marginally with a virtually unchanged sector and subordination allocation. The weight of HY-NR diversification is 14%, partly hedged by the purchase of protection on the iTraxx Xover index, representing 6% of assets. Modified duration was set at 1,3 at the beginning of the month, remaining lower than that of the index (1,8).

#### May

In the United States, the publication of better-than-expected economic, employment and inflation data, combined with statements by central bankers in favour of maintaining restrictive monetary policies, moved yields higher across the board. Although the Fed raised its rates by 25bp at the beginning of May, as expected, expectations of a first rate cut have been postponed, with the Fed Funds rate expected to be 50bp higher at the end of the year than at the start of the month. In addition, talks on raising the debt ceiling may have led to a slight increase in volatility over the month. In Europe, yields eased slightly, with the 10-year Bund down 3bp to 2,28%. Greece saw its borrowing rate fall sharply at the end of the month following the results of the legislative elections. Credit spreads are widening slightly in the less risky segments. However, the positive interest rate effect combined with the carry effect enabled all euro bond asset classes to post positive performances in May. The credit primary market was very active, particularly for corporate issuers with €45bn. For financials, the primary market reopened in almost all segments, with €35bn issued, of which €5bn of Tier 2 subordinated debt.

The portfolio's structure changed marginally with a virtually unchanged sector and subordination allocation. The weight of HY-NR diversification is 15%, partly hedged by the purchase of protection on the iTraxx Xover index, representing 6% of assets. Modified duration increased from 1,3 at the start of the month to 2,1, i.e. a slightly higher exposure than that of the benchmark index.

#### June

The central banks have not finished raising rates. They are taking a tougher stance and reaffirming their intention to curb inflation, leading to a rise in all yield curves. The T-Note and the 10-year Bund rose by 19bp and 11bp, ending the month at 3,84% and 2,39% respectively. Short maturities are rising more, with the result that the curve is continuing to invert. The 2-10 year spread is now close to its lows (-106bp in the United States and -80bp in Germany). Credit spreads are tightening across all sectors and segments. With the exception of the least risky segments (government bonds and IG credit), the positive contribution of the spread component combined with carry enabled euro bond asset classes to deliver positive returns. Activity in the primary market slowed, in line with historical seasonality: €31bn for financials and €22bn for corporates. The portfolio's structure changed marginally with a virtually unchanged sector and subordination allocation. The weight of HY-NR diversification is 14%, partly hedged by the purchase of protection on the iTraxx Xover index, representing 6% of assets. Modified duration increased further, from 2,1 at the start of the month to 2,5, i.e. a higher exposure than that of the benchmark index.

#### July

The month was broadly positive for all asset classes, with the central banks remaining active: the ECB raised its key rates by 25bp, taking the deposit rate to 3,75%, while the Fed lifted its key rates by another 25bp to the 5,25%-5,5% range. Against this backdrop, short-term rates fell and gradually took on board the fact that central banks were probably close to the end of the rate hike cycle, while long rates rebounded, causing the yield curve to steepen again. The 10-year T-Note and Bund rose by 12bp and 10bp respectively, ending the month at 3,95% and 2,49%. Credit spreads are tightening across all sectors and segments. Despite a negative interest rate effect, the positive contribution of the spread component combined with carry enabled euro bond asset classes to deliver clearly positive returns. Activity in the primary market continued to slow: €8,5bn for financials and €11,5bn for corporates. The lack of supply contributed to the spread tightening. The portfolio's structure changed marginally with a virtually unchanged sector and subordination allocation. The weight of HY-NR diversification is 15%, partly hedged by the purchase of protection on the iTraxx Xover index, representing 7% of assets. Modified duration increased slightly, from 2,5 at the start of the month to 2,7, i.e. a higher exposure than that of the benchmark index.

## August

It was a difficult month for the financial markets. There were several reasons for this, not least the prospect of interest rates remaining high for longer. In addition, economic figures continued to ease, particularly in Europe and China. Against this backdrop, short rates fell slightly while long rates remained stable, causing the yield curve to steepen again. US and German yields ended the month at 4,11% and 2,59%, respectively. The US and German 2Y/10Y yield curves rose by 3bp and 16bp, respectively. Credit spreads widened over the month across all sectors and segments. With the exception of corporate hybrids and financial AT1s, euro bond asset classes posted slightly positive performances in August. After a lull of almost a month, the primary market was very active in the second half of the month: €12bn for financials and €21bn for corporates. The portfolio's structure changed marginally with a virtually unchanged sector and subordination allocation. The weight of HY-NR diversification is 15%, partly hedged by the purchase of protection on the iTraxx Xover index, representing 7% of assets. Modified duration rose again slightly, from 2,7 at the start of the month to 2,9, i.e. a higher exposure than that of the benchmark index.

## September

The markets performed poorly in a month marked by high volatility, pressure on rates, a growing feeling that central banks are likely to keep interest rates higher for longer and, at the same time, a rise in oil prices of around 7% over the month. The Fed and the ECB remained vigilant once again. The positive signals regarding the strength of activity and the resilience of the US economy enabled the Fed not to change its key rates (range 5,25%-5,50%) but to change its trajectory over the next three years, suggesting a further rise in 2023. The ECB raised its rates by 25bp, bringing the refinancing rate to 4,50% and the deposit rate to 4%. Against this backdrop, yields tightened in a steepening movement on the curves: the US and German 10-year yields tightened by 46bp and 37bp, respectively, to end the month at 4,57% and 2,84%. The US and German 2Y/10Y yield curves rose by 28bp and 15bp, respectively. The rise in real rates weighed on peripheral spreads, with a widening of 22bp for Italian 10-year debt. Credit spreads tightened over the month across all sectors and segments. With the exception of corporate hybrids and HY credit, euro bond asset classes posted negative performances over the month, mainly due to the interest rate effect. The primary market remained active despite a relatively timid start to the month: €34bn for financial issuers and €28bn for corporate issuers. The portfolio's structure changed marginally with a virtually unchanged sector and subordination allocation. The weight of HY-NR diversification is 11%, partly hedged by the purchase of protection on the iTraxx Xover index, representing 7% of assets. Modified duration was gradually increased, from 2,9 at the start of the month to 3,7, i.e. a markedly higher exposure than that of the benchmark index.

## **Main changes in the portfolio during the year**

Securities	Changes ("accounting currency")	
	Purchases	Sales
LAZARD EURO SHORT TERM MONEY MARKET	62 421 887,11	77 233 104,83
LAZARD EURO MONEY MARKET	71 861 976,06	61 644 678,28
SWEDBANK AB 1.5% 18-09-28 EMTN	2 911 212,33	3 000 000,00
BECT OF 0.632 06-23		4 000 000,00
ING GROEP NV 1.0% 20-09-23		3 300 000,00
BALL 4.375% 15-12-23	1 542 037,70	1 529 265,00
INTESA SANPAOLO SPA 6.625% 13/09/2023	1 040 369,18	2 000 000,00
ARCELLOR MITTAL 1.0% 19-05-23		3 014 116,02
SWEDBANK AB 1.0% 22-11-22 EMTN		3 012 365,75
ESSILORLUXOTTICA 0.0% 27-05-23		3 000 000,00



## 4. REGULATORY INFORMATION

### EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES AND DERIVATIVE FINANCIAL INSTRUMENTS (ESMA) IN EUROS

#### a) Exposure through efficient portfolio management techniques and derivative financial instruments

- Exposure through efficient management techniques: None.
  - o Securities lending:
  - o Securities borrowing:
  - o Repurchase agreements:
  - o Reverse repurchase agreements:
- Underlying exposure through derivative financial instruments: 179 735 000,00
  - o Currency forwards:
  - o Futures: 159 735 000,00
  - o Options:
  - o Swaps: 20 000 000,00

#### b) Identity of the counterparty or counterparties for efficient portfolio management techniques and derivative financial instruments

Efficient portfolio management techniques	Derivative financial instruments (*)
	None

(\*) Excluding listed derivatives.

c) Financial guarantees received by the UCITS to reduce counterparty risk

Instrument type	Amount in the currency of the portfolio
<b>Efficient portfolio management techniques</b> . Term deposits . Equities . Bonds . UCITS . Cash (*) <b>Total</b>	<b>None</b>
<b>Derivative financial instruments</b> . Term deposits . Equities . Bonds . UCITS . Cash <b>Total</b>	<b>None</b>

(\*) The Cash account also includes liquidity from reverse repurchase agreements.

d) Operating income and expenses related to efficient management techniques

Operating income and expenses	Amount in the currency of the portfolio
. Income (*) . Other income <b>Total income</b>	<b>None</b>
. Direct operating expenses . Indirect operating expenses . Other expenses <b>Total expenses</b>	<b>None</b>

(\*) Income on securities lending and repurchase agreements

## TRANSPARENCY OF SECURITIES FINANCING TRANSACTIONS AND THE REUSE OF FINANCIAL INSTRUMENTS - SFTR - IN THE ACCOUNTING CURRENCY OF THE UCI (€)

The UCI carried out no transactions during the year in the context of the SFTR.

### PROCEDURE FOR SELECTING AND ASSESSING INTERMEDIARIES AND COUNTERPARTIES

The brokers used by the management company are selected on the basis of various evaluation criteria, covering research, quality of order execution and processing and the range of services offered. The management company's "Broker Committee" validates any updates to the list of authorised brokers. Each investment division (fixed income and equities) reports to the Broker Committee at least twice a year on the evaluation of the services provided by the various brokers and the breakdown of the volume of transactions handled.

The information can be consulted on the management company's website: [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr)

### BROKERAGE FEES

Information about brokerage fees is available on the website: [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr)

### EXERCISING VOTING RIGHTS

The scope and procedures for Lazard Frères Gestion SAS' exercise of the voting rights attached to the securities held in the UCIs managed by it are set out in the guidelines it has drawn up on its voting policy. This document can be consulted on the management company's website: [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr)

### DISCLOSURE OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CRITERIA

Lazard Frères Gestion firmly believes that the integration of environmental, social and governance (ESG) criteria in the management of assets provides an additional guarantee in terms of a durable economic performance.

The long-term performance of investments is not limited solely to the consideration of the financial strategy, but must also take into account the company's interactions with its social, economic and financial environment.

The incorporation of ESG criteria therefore is a natural component of our investment process.

Our overall approach can be summarised as follows:

- ✓ Rigorous financial analysis of the company covering the quality of assets, financial soundness, projected cash flows and their reinvestment by the company, the strength of economic profits, profit durability, and quality of management.
- ✓ This durability is strengthened by incorporating non-financial criteria:
  - Social criteria: through the development of human capital.
  - Environmental criteria: through the prevention of all environmental risks.
  - Governance criteria: by respecting the balance between the managerial and shareholder structures so as to prevent potential conflicts of interest and safeguard the interests of minority shareholders.

The intensity and methods by which we incorporate ESG criteria may vary depending on the asset class and investment process involved, but the common objective is to ensure better apprehension of ESG risks that are likely to have a strong impact on the value of a company or sovereign asset.

Information on ESG criteria is available on the website: [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr)

### SFDR AND TAXONOMY

#### Article 8

Pursuant to Article 50 of the SFDR Level 2 Delegated Regulation, information on the attainment of the environmental or social characteristics promoted by the financial product is available in the appendix to this report.

## **USE OF FINANCIAL INSTRUMENTS MANAGED BY THE MANAGEMENT COMPANY OR AN AFFILIATED COMPANY**

The table of financial instruments managed by the management company or an affiliated company can be found in the notes to the UCI's annual financial statements.

## **METHOD USED TO CALCULATE GLOBAL RISK**

The Fund uses the commitment method to calculate its global risk on financial contracts.

## **SWING PRICING**

In order to protect the UCI's long-term shareholders, a swing factor will be applied to subscriptions and redemptions that have a significant impact on the UCI's outstandings, which may generate costs for shareholders entering and leaving the UCI that would otherwise have been allocated across all shareholders in the UCI. Therefore, if, on a particular NAV calculation date, the total net subscription/redemption orders of investors across all categories of UCI units or shares exceeds a threshold predetermined by the management company on the basis of objective criteria and expressed as a percentage of the net assets in the UCI, the NAV may be adjusted upwards or downwards to take account of the readjustment costs attributable to the net subscription/redemption orders. The NAV of each unit or share category shall be calculated separately, but any adjustment shall have an identical impact, expressed as a percentage, on all of the NAV calculations of each unit or share category in the UCI.

The cost parameters and trigger level shall be determined by the management company and shall be reviewed periodically, and at least every six months. These costs shall be estimated by the management company based on transaction fees, bid/offer spreads and tax charges applicable to the UCI.

Insofar as this adjustment mechanism is linked to the net balance of subscriptions/redemptions within the UCI, it is not possible to accurately predict a given time in the future at which swing pricing will be applied. Consequently, neither is it possible to predict the precise frequency at which the management company will have to make such adjustments, which shall not exceed 1% of the NAV (see prospectus). Investors should be aware that the volatility of the UCI's NAV may not reflect solely that of the securities in the portfolio arising from the application of swing pricing.

## **INFORMATION ON DISTRIBUTED INCOME ELIGIBLE FOR THE 40% ALLOWANCE**

Pursuant to the provisions of Article 41 sexdecies H of the French General Tax Code, income on distributing shares is subject to an allowance of 40%.

## **REMUNERATION**

The fixed and variable remuneration paid during the financial year ended on December 31st, 2022 by the management company to its personnel, in proportion to their investment in the management of the UCITS, excluding the management of the AIFs and discretionary mandates, can be obtained on request by post from the legal department of Lazard Frères Gestion, and are included in the company's annual report.

The total variable remuneration is set by the Lazard Group based on different criteria, including the Lazard Group's financial performance over the past year, taking into account the results of Lazard Frères Gestion. The total amount of variable compensation should not hinder the ability of the Lazard Group and Lazard Frères Gestion to strengthen their capital base as needed.

The General Management decides on the total remuneration amount that will be split between the fixed and variable components, complying with the policy to maintain a complete separation between the fixed and variable components.

All risks and conflicts of interest are incorporated into the calculation of the variable remuneration.

It is then individualised and determined partly based on the performance of each identified member of staff.

The remuneration policy is reviewed annually.

Each year, Lazard Frères Gestion's Remuneration Policy Compliance Monitoring Committee, which also has two members independent from the management company, is responsible for issuing an opinion on the proper application of the remuneration policy and its compliance with applicable regulations.

**Population at 31/12/2022: Fixed-term and permanent contracts of LFG, LFG Luxembourg and LFG Belgique  
(therefore excluding interns and apprentices and excluding LFG Courtage)**

Headcount at 31/12/2022 LFG - LFG Belgique - LFG Luxembourg	Fixed annual remuneration 2022 in €	Variable remuneration for 2022 (cash paid in 2023 and deferred compensation allocated in 2023) in €
205	20 102 615	29 964 115

**“Identified employees”**

Category	Number of employees	2022 aggregate fixed and variable remuneration (annual salaries and cash and deferred bonuses)
Senior management	3	5 848 796
Other	61	28 469 324
<b>Total</b>	<b>64</b>	<b>34 318 120</b>

*Note: the amounts are stated excluding charges*

**OTHER INFORMATION**

The UCI’s full prospectus and the most recent annual and interim reports will be sent out within one week of request in writing by shareholders to:

LAZARD FRERES GESTION SAS  
25, Rue de Courcelles - 75008 Paris, France

[www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr)

## 5. CERTIFICATION BY THE STATUTORY AUDITOR

**mazars**

61 rue Henri Regnault, La Défense  
92400 Courbevoie  
France  
Tel.: +33 (0)1 49 97 60 00  
Fax: +33 (0)1 49 97 60 01  
[www.mazars.fr](http://www.mazars.fr)

## **LAZARD EURO SHORT DURATION SRI SICAV**

### **Statutory auditor's report on the annual financial statements**

Financial year ended September 29th, 2023

Mazars

Accounting and auditing public limited company governed by an executive board and a supervisory board

Registered office: 61, rue Henri Régnauld - 92400 Courbevoie

Capital of €8 320 000 - Nanterre Trade and Companies Register no. 784 824 153

## LAZARD EURO SHORT DURATION SRI SICAV

10 avenue Percier  
75008 Paris, France

### Statutory auditor's report on the annual financial statements

Financial year ended September 29th, 2023

To the shareholders' meeting of the LAZARD EURO SHORT DURATION SRI SICAV,

## Opinion

In accordance with the terms of our appointment by your board of directors, we conducted our audit of the accompanying annual financial statements of the Undertaking for Collective Investment LAZARD EURO SHORT DURATION SRI, incorporated as a French open-end investment company (SICAV), for the financial year ended September 29th, 2023.

We certify that the annual financial statements provide a true and fair view of the results of operations for the financial year under review and of the financial position and assets and liabilities of the Fund at the end of said financial year, in accordance with the accounting rules and principles generally accepted in France.

## Basis of our opinion

### Audit standards

We conducted our audit in accordance with the professional standards applicable in France. We believe that our audit has provided us with sufficient relevant information on which to base our opinion.

Our responsibilities under these standards are set out in the section entitled "Statutory auditor's responsibilities concerning the audit of the financial statements" in this report.

### Independence

We conducted our audit in accordance with the rules of independence set out in the French Commercial Code and the code of ethics for statutory auditors, for the period from October 1st, 2022 to the date of issue of our report.



## Basis of our opinions

In accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you that the most important assessments we carried out, in our professional judgement, focused on the appropriateness of the accounting principles applied, notably with regard to the financial instruments in the portfolio, and the overall presentation of the financial statements in accordance with the chart of accounts for open-end collective investment undertakings.

The assessments we have made are part of our audit of the annual financial statements as a whole and the opinion expressed above. We therefore express no opinion on the elements of the annual financial statements taken in isolation.

## Specific verifications

We have also performed, in accordance with applicable professional standards in France, the specific verifications required by the laws and regulations.

We have no matters to report regarding the true and fair presentation of the information provided in the Board of Directors' management report and in the other documents sent to shareholders on the SICAV's financial position and annual financial statements, or its consistency with the annual financial statements.

We certify that the information required under Article L. 225-37-4 of the French Commercial Code is provided in the section of the management report on corporate governance.

## Responsibilities of the management and persons charged with governance of the annual financial statements

It is the management's role to draw up annual financial statements that give a fair and true picture in accordance with French accounting rules and principles and to implement the necessary internal control to be able to provide reasonable assurance that they are free from material misstatement, whether due to fraud or error.

As part of the preparation of the annual financial statements, the management is responsible for assessing the SICAV's capacity to continue operating as a going concern, to present in its financial statements, where necessary, information concerning business continuity, and to apply the accounting conventions of a going concern, unless it is planned to liquidate the SICAV or terminate its activity.

The Board of Directors is responsible for the preparation of the annual financial statements.

## Statutory auditor's responsibilities concerning the audit of the annual financial statements

Our role is to prepare a report on the annual financial statements and to obtain reasonable assurance that the annual financial statements as a whole are free of material misstatements. Reasonable assurance means a high but not absolute level of assurance that an audit performed in accordance with professional standards is free of material misstatement. Anomalies may stem from fraud or errors and are considered material when it can reasonably be expected that, taken individually or together, they could influence the economic decisions of users of the financial statements.

As stipulated in Article L. 823-10-1 of the French Commercial Code (Code de commerce), our audit assignment does not consist in guaranteeing the viability or quality of the management of the SICAV.

In the context of an audit performed in accordance with professional standards applicable in France, the statutory auditor must exercise its judgement throughout the course of the audit. Moreover:

- it identifies and assess the risks that the annual financial statements may contain material misstatements, whether from fraud or error, defines and implements audit procedures to resolve these risks, and collects all elements deemed necessary and appropriate in order to give its opinion. The risk of failure to detect a material misstatement resulting from fraud is higher than that resulting from an error because fraud may involve collusion, falsification, deliberate omissions, false statements or by-passing of internal controls;
- it takes due note of the internal control relevant to the audit in order to define audit procedures that are appropriate to the circumstances, and not with a view to expressing an opinion on the efficiency of the internal control;
- it assesses the appropriateness of the accounting methods used and the reasonable nature of the accounting estimates made by the management, and the related information provided in the annual financial statements;
- it assesses the appropriateness of the management company's application of the accounting policy for a going concern and, based on the information collected, whether there is a significant uncertainty linked to events or circumstances that is likely to call into question the SICAV's capacity to continue operating as a going concern. This assessment is based on the information collected up to the date of the report, bearing in mind nevertheless that subsequent circumstances or events could jeopardise the continuity of operation. If the statutory auditor observes the existence of a material uncertainty, it shall draw the attention of the readers of its report to the information provided in the annual financial statements on the subject of this uncertainty, or if this information has not been provided or is not relevant, it shall attach reservations to its certification or shall refuse to certify the accounts;

- it assesses the overall presentation of the annual financial statements and whether they provide a true picture of the underlying operations and events.

The statutory auditor

Mazars

*Signed at Courbevoie, date of electronic signature*

*Document authenticated and dated by electronic signature*

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23/11/2023

Gilles Dunand-Roux

**mazars**

61 rue Henri Regnault, La Défense  
92400 Courbevoie  
France  
Tel.: +33 (0)1 49 97 60 00  
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[www.mazars.fr](http://www.mazars.fr)

## **LAZARD EURO SHORT DURATION SRI SICAV**

### **Statutory auditor's special report on regulated agreements**

Financial year ended September 29th, 2023

Mazars

Accounting and auditing public limited company governed by an executive board and a supervisory board  
Registered office: 61, rue Henri Régnauld - 92400 Courbevoie  
Capital of €8 320 000 - Nanterre Trade and Companies Register no. 784 824 153

## LAZARD EURO SHORT DURATION SRI SICAV

10 avenue Percier  
75008 Paris, France

### Statutory auditor's special report on regulated agreements

Financial year ended September 29th, 2023

In our capacity as statutory auditors of your company, we hereby present to you our report on related party agreements.

We are required to report to you, based on the information we have been provided, on the characteristics, the main terms and the details of the benefits for the company, of any agreements disclosed to us or that we may have discovered during our audit, without being required to comment on their relevance or substance, or to identify any other agreements. It is your responsibility, pursuant to the terms of Article R. 225-31 of the French Commercial Code (Code de commerce), to assess the benefits of entering into these agreements, prior to approving them.

We are also required, where applicable, to report to you as provided for in Article R. 225-31 of the French Commercial Code on the performance over the past year of any agreements already approved by the shareholders' meeting.

We have performed those checks that we considered necessary in accordance with the professional guidance issued by the national auditing body (*Compagnie nationale des commissaires aux comptes*) relating to this operation.

## Agreements submitted for the approval of the shareholders' meeting

We hereby inform you that we have not been advised of any agreement authorised during the past financial year to be submitted to the approval of the shareholders' meeting pursuant to Article L. 225-38 of the French Commercial Code.

## Agreements already approved by the shareholders' meeting

We hereby inform you that we have not been advised of any agreement already approved by the shareholders' meeting that remained effective during the past financial year.

The statutory auditor

Mazars

*Signed at Courbevoie, date of electronic signature*

*Document authenticated and dated by electronic signature*

DocuSigned by:

[signature]

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**23/11/2023**

Gilles Dunand-Roux

## 6. ANNUAL FINANCIAL STATEMENTS

### BALANCE SHEET AS AT 29/09/2023 in EUR

#### ASSETS

	29/09/2023	30/09/2022
<b>NET NON-CURRENT ASSETS</b>		
<b>DEPOSITS</b>		
<b>FINANCIAL INSTRUMENTS</b>	<b>309 431 929,69</b>	<b>306 469 285,23</b>
<b>Equities and similar securities</b>		
Traded on a regulated or equivalent market		
Not traded on a regulated or equivalent market		
<b>Bonds and similar securities</b>	<b>281 225 426,22</b>	<b>275 897 296,05</b>
Traded on a regulated or equivalent market	281 225 426,22	275 897 296,05
Not traded on a regulated or equivalent market		
<b>Debt securities</b>		
Traded on a regulated or equivalent market		
Negotiable debt securities		
Other debt securities		
Not traded on a regulated or equivalent market		
<b>Undertakings for collective investment</b>	<b>26 780 303,47</b>	<b>30 561 639,18</b>
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries	26 780 303,47	30 561 639,18
Other funds aimed at non-professionals and their equivalent in other countries that are Member States of the EU		
General funds aimed at professional investors and their equivalent in other Member States of the EU and listed securitisation entities		
Other funds aimed at professional investors and their equivalent in other Member States of the EU and unlisted securitisation entities		
Other non-European entities		
<b>Temporary securities transactions</b>		
Receivables on securities purchased under repurchase agreements		
Receivables on loaned securities		
Borrowed securities		
Securities sold under repurchase agreements		
Other temporary transactions		
<b>Forward financial instruments</b>	<b>1 426 200,00</b>	<b>10 350,00</b>
Transactions on a regulated or equivalent market	1 426 200,00	10 350,00
Other transactions		
<b>Other financial instruments</b>		
<b>RECEIVABLES</b>	<b>3 579 399,38</b>	<b>549 563,09</b>
Currency forward exchange transactions		
Other	3 579 399,38	549 563,09
<b>FINANCIAL ACCOUNTS</b>	<b>2 692 810,51</b>	<b>8 405 488,38</b>
Cash and cash equivalents	2 692 810,51	8 405 488,38
<b>TOTAL ASSETS</b>	<b>315 704 139,58</b>	<b>315 424 336,70</b>

## LIABILITIES AND SHAREHOLDERS' EQUITY

	29/09/2023	30/09/2022
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	308 278 545,67	302 748 966,97
Undistributed net capital gains and losses recognised in previous years (a)	866 341,63	
Retained earnings (a)	36,79	8,49
Net capital gains and losses for the year (a, b)	-2 122 460,05	9 193 398,90
Net income for the year (a, b)	4 044 544,43	801 180,84
<b>TOTAL SHAREHOLDERS' EQUITY*</b>	<b>311 067 008,47</b>	<b>312 743 555,20</b>
<i>* Sum representing the net assets</i>		
<b>FINANCIAL INSTRUMENTS</b>	<b>2 050 552,00</b>	<b>10 350,00</b>
Sales of financial instruments		
Temporary securities transactions		
Liabilities on securities sold under repurchase agreements		
Liabilities on borrowed securities		
Other temporary transactions		
Forward financial instruments	2 050 552,00	10 350,00
Transactions on a regulated or equivalent market	1 426 200,00	10 350,00
Other transactions	624 352,00	
<b>LIABILITIES</b>	<b>2 586 579,11</b>	<b>2 670 431,50</b>
Currency forward exchange transactions		
Other	2 586 579,11	2 670 431,50
<b>FINANCIAL ACCOUNTS</b>		
Bank overdrafts		
Borrowings		
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>315 704 139,58</b>	<b>315 424 336,70</b>

(a) Including accrued income

(b) Less interim dividends paid for the financial year



OFF-BALANCE SHEET ITEMS AS OF 29/09/2023 in euros

	29/09/2023	30/09/2022
<b>HEDGING TRANSACTIONS</b>		
Commitments on regulated or similar markets		
Futures contracts		
EURO BOBL 1222		17 363 750,00
Commitments on OTC markets		
Credit Default Swaps		
ITRAXX EUR XOVER S40	20 000 000,00	
Other commitments		
<b>OTHER TRANSACTIONS</b>		
Commitments on regulated or similar markets		
Futures contracts		
EURO BOBL 1223	159 735 000,00	
Commitments on OTC markets		
Other commitments		

INCOME STATEMENT AS OF 29/09/2023 in euros

	29/09/2023	30/09/2022
<b>Income from financial transactions</b>		
Income from deposits and financial accounts	67 213,21	3 920,43
Income from equities and similar securities		
Income from bonds and similar securities	5 337 684,47	4 002 756,30
Income from debt securities		
Income from temporary purchases and sales of securities	20 372,38	
Income from forward financial instruments		
Other financial income		
<b>TOTAL (1)</b>	<b>5 425 270,06</b>	<b>4 006 676,73</b>
<b>Expenses related to financial transactions</b>		
Expenses related to temporary purchases and sales of securities		932,53
Expenses related to forward financial instruments		
Expenses related to financial liabilities	102,75	49 519,89
Other financial charges		
<b>TOTAL (2)</b>	<b>102,75</b>	<b>50 452,42</b>
<b>INCOME FROM FINANCIAL TRANSACTIONS (1 - 2)</b>	<b>5 425 167,31</b>	<b>3 956 224,31</b>
Other income (3)		
Management fees and depreciation and amortisation (4)	1 169 416,45	3 237 025,80
<b>NET INCOME FOR THE FINANCIAL YEAR (L. 214-17-1) (1 - 2 + 3 - 4)</b>	<b>4 255 750,86</b>	<b>719 198,51</b>
Income adjustment for the financial year (5)	-211 206,43	81 982,33
Interim dividends paid on net income for the financial year (6)		
<b>Net income (1 - 2 + 3 - 4 + 5 - 6)</b>	<b>4 044 544,43</b>	<b>801 180,84</b>

### 1. ACCOUNTING RULES AND PRINCIPLES

The annual financial statements are presented in accordance with regulation 2014-01, as amended, of the French accounting standards body (Autorité des Normes Comptables - ANC).

The general accounting principles apply:

- true and fair view, comparability, business continuity,
- regularity, sincerity,
- prudence,
- consistency of accounting methods from one financial year to the next.

Income from fixed-income securities is recorded on the basis of accrued interest.

Purchases and sales of securities are recorded excluding expenses.

The accounting currency of the portfolio is the euro.

The financial year comprises 12 months.

#### Asset valuation rules

Financial instruments and securities traded on a regulated market are valued at their market price.

- **Shares and similar securities** are valued on the basis of the last known price on their main market. If applicable, prices are translated into euros using the exchange rate prevailing in Paris on the valuation day (as published by WM Closing).

- **Fixed-income securities:**

Fixed-income securities are for the most part marked to market based on either Bloomberg prices (BGN)<sup>®</sup> derived from averages of contributed prices, or on those of direct contributors.

There may be a discrepancy between the carrying amounts, valued as indicated above, and the actual disposal prices that would be obtained if a portion of these portfolio assets were to be sold.

- **Bonds and similar instruments** are valued on the basis of the average of the closing prices gathered from several contributors.

Financial instruments whose prices have not been determined on the valuation day or whose prices have been adjusted are valued at their probable trading price, for which the shareholders' meeting is responsible.

These estimates and their supporting documentation will be provided to the statutory auditor during audits. However, the following instruments are valued using the following specific methods:

- **Negotiable debt securities:**

Negotiable debt securities are marked to market based on either Bloomberg prices (BVAL and/or BGN)<sup>®</sup> derived from averages of contributed prices, or on those of direct contributors.

There may be a discrepancy between the carrying amounts, valued as indicated above, and the actual disposal prices that would be obtained if a portion of these portfolio assets were to be sold.

The valuation of money market instruments complies with the provisions of Regulation (EU) 2017/1131 of June 14th, 2017. Consequently, the UCI does not use the amortised cost method.

- **UCIs:**

Units or shares of UCIs are valued at the last known net asset value.

Units or shares of UCIs for which NAVs are published monthly may be valued on the basis of interim NAVs calculated from estimated prices.

o **Temporary purchases and sales of securities:**

Securities purchased under repurchase agreements are valued at their contract price using an actuarial method with a benchmark rate (€STR, one- or two-week interbank rates, one- to 12-month EURIBOR) corresponding to the term of the contract.

Securities sold under repurchase agreements continue to be valued at their market price. Liabilities on securities sold under repurchase agreements are calculated using the same method as that used for securities purchased under repurchase agreements.

o **Futures and options:**

Futures and options are valued on the basis of intraday trading prices the timing of which is based on that of the valuation of the underlying assets.

Positions taken on the futures or options markets and over the counter are valued at their market price or at the value of the equivalent underlying asset.

➤ **Financial instruments and securities not traded on a regulated market**

All of the UCI's financial instruments are traded on regulated markets.

➤ **Valuation methods for off-balance sheet commitments**

Off-balance sheet transactions are valued at the commitment value.

The commitment value for futures contracts is equal to the price (in the SICAV's currency) multiplied by the number of contracts multiplied by the face value.

The commitment value for options is equal to the price of the underlying security (in the SICAV's currency) multiplied by the number of contracts multiplied by the delta multiplied by the face value of the underlying security.

The commitment value for swaps is equal to the face value of the contract (in the SICAV's currency).

**Management fees**

Management fees are calculated on each valuation day.

The annual management fee rate is applied to gross assets (equal to net assets before deduction of the day's management fees) less UCIs managed by Lazard Frères Gestion SAS using the following formula:

$$\frac{\text{Net assets excluding UCIs managed by Lazard Frères Gestion SAS} \times \text{operating and management fees rate} \times \text{no. of days between the calculated NAV and the previous NAV}}{365 \text{ (or 366 in a leap year)}}$$

The Management company pays the Fund's operating fees, including for:

- . financial management;
- . administration and accounting;
- . custody services;
- . other operating fees:
- . statutory auditors' fees;
- . legal notices (Balo, Petites Affiches, etc.) if applicable.

These fees do not include transaction charges.

The fees break down as follows, as set out in the regulations:

Fees charged to the UCI	Basis	Share	Maximum rate (incl. taxes)	
Financial management fees	Net assets excluding UCIs managed by Lazard Frères Gestion	IC	0,400%	
		ID	0,400%	
Operating and other service fees	Net assets	Applied to all shares	0,035%	
Indirect charges (management fees and expenses)	NA	Applied to all shares	None	
Turnover commission (0% to 100% received by the management company and 0% to 100% received by the custodian)	Maximum charge on each transaction	Applied to all shares	Fixed-income instruments	None
			Futures and other transactions	From €0 to €450 per batch/contract
Performance fees	Net assets	IC, ID	20% of the outperformance (net of expenses) relative to the benchmark index	

#### Calculation method

The calculation of the amount of the performance fee is based on a comparison between the performance of each UCI share and that of a notional UCI achieving the performance of its benchmark index and recording the same subscription and redemption pattern as the actual UCI. The outperformance generated by the UCI share on a given date is defined as the positive difference between the assets of the UCI share and the assets of the notional UCI on the same date. If this difference is negative, this amount constitutes an underperformance that will have to be made up in the following years before a new provision can be made for the performance fee.

#### Negative performance recovery and reference period

As stated in the ESMA guidelines on performance fees, the reference period is “the time horizon over which the performance is measured and compared with that of the reference indicator, at the end of which the mechanism for the compensation for past underperformance (or negative performance) can be reset. This period is set at 5 years. This means that after 5 consecutive years without crystallisation, uncompensated underperformances prior to five years will no longer be taken into account in the calculation of the performance fee.

#### Observation period

The first observation period will begin with a period of twelve months starting on 01/10/2021. At the end of each financial year, one of the following two cases may occur:

- The UCI share underperformed over the observation period. In this case, no fee is charged and the observation period is extended by one year, up to a maximum of 5 years (reference period).
- The UCI share outperformed over the observation period. In this case, the management company receives the provisioned fees (crystallisation), the calculation is reset, and a new twelve-month observation period begins.

### Provisioning

Each time the net asset value (NAV) is established, the performance fee is subject to a provision (of 20% of the outperformance) when the performance of the UCI share is higher than that of the notional UCI over the observation period, or to a reversal of the provision limited to the existing allocation in case of underperformance. In case of redemptions during the period, the proportion of the provision corresponding to the number of shares redeemed is definitively acquired and charged by the management company.

### Crystallisation

The crystallisation period, i.e. the frequency at which the provisioned performance fee, if any, must be paid to the management company, is twelve months.

The first crystallisation period will end on the last day of the financial year ending on 30/09/2022.

The performance fee is deducted even in the event of a negative performance of the UCI.

### Method related to swing pricing adjustments to net asset value (NAV) with a trigger level:

In order to protect the SICAV's long-term shareholders, a swing factor will be applied to subscriptions and redemptions that have a significant impact on the SICAV's outstandings, which may generate costs for shareholders entering and leaving the SICAV that would otherwise have been allocated across all shareholders in the SICAV. Therefore, if, on a particular NAV calculation date, the total net subscription/redemption orders of investors across all categories of shares in the SICAV exceeds a threshold predetermined by the management company on the basis of objective criteria and expressed as a percentage of the net assets in the SICAV, the NAV may be adjusted upwards or downwards to take account of the readjustment costs attributable to the net subscription/redemption orders. The NAV of each share category shall be calculated separately, but any adjustment shall have an identical impact, expressed as a percentage, on all of the NAV calculations of each share category in the SICAV. The cost parameters and trigger level shall be determined by the management company and shall be reviewed periodically, and at least every six months. These costs shall be estimated by the management company based on transaction fees, bid/offer spreads and tax charges applicable to the SICAV. Insofar as this adjustment mechanism is linked to the net balance of subscriptions/redemptions within the SICAV, it is not possible to predict a given time in the future at which it will be applied. Consequently, neither is it possible to predict the precise frequency at which the management company will have to make such adjustments, which shall not exceed 2,5% of the NAV. Investors should be aware that the volatility of the SICAV's NAV may not reflect solely that of the securities in the portfolio arising from the application of swing pricing.

### Allocation of distributable income

#### *Definition of distributable income:*

Distributable income consists of:

#### *Net income:*

net income plus retained earnings, plus or minus the balance of the revenue adjustment account. Net income for the financial year is equal to the amount of interest, arrears, dividends, bonuses and prizes, remuneration and all income generated by the securities that make up the UCI's portfolio, plus income generated by temporary cash holdings and minus management fees and borrowing costs.

#### *Capital gains and losses:*

Realised capital gains, net of expenses, less realised capital losses, net of expenses, recognised for the financial year, plus any net capital gains of the same kind recognised over previous years that have not been distributed or accumulated, plus or minus the balance of the capital gains adjustment account.

#### *Allocation of distributable income:*

<i>Share(s)</i>	<i>Allocation of net income</i>	<i>Allocation of net realised capital gains or losses</i>
LAZARD EURO SHORT DURATION SRI IC shares	Accumulation	Accumulation
LAZARD EURO SHORT DURATION SRI ID shares	Distribution	Accumulation and/or Distribution and/or Retention as decided by the SICAV

## 2. CHANGE IN NET ASSETS AT 29/09/2023 in euros

	29/09/2023	30/09/2022
<b>NET ASSETS AT START OF YEAR</b>	<b>312 743 555,20</b>	<b>206 656 555,14</b>
Subscriptions (including subscription fees retained by the Fund)	117 374 506,15	230 311 406,21
Redemptions (net of redemption fees retained by the Fund)	-129 100 337,13	-115 287 606,07
Realised capital gains on deposits and financial instruments	494 438,71	441 167,52
Realised capital losses on deposits and financial instruments	-2 836 584,03	-2 125 129,23
Realised capital gains on forward financial instruments	5 976 470,30	20 221 559,00
Realised capital losses on forward financial instruments	-5 810 613,56	-9 736 940,00
Transaction charges	-42 622,32	-94 443,35
Exchange rate differences		
Changes in valuation difference of deposits and financial instruments	10 182 920,74	-18 690 313,88
<i>Valuation difference for financial year N</i>	-6 712 692,88	-16 895 613,62
<i>Valuation difference for financial year N-1</i>	16 895 613,62	-1 794 700,26
Changes in valuation difference of forward financial instruments	-2 060 902,00	410 915,94
<i>Valuation difference for financial year N</i>	-2 050 552,00	10 350,00
<i>Valuation difference for financial year N-1</i>	-10 350,00	400 565,94
Distribution of prior year's net capital gains and losses		
Dividends paid in the previous financial year	-109 574,45	-82 814,59
Net profit/loss for the financial year prior to income adjustment	4 255 750,86	719 198,51
Interim dividend(s) paid on net capital gains/losses during the financial year		
Interim dividend(s) paid on net income during the financial year		
Other items		
<b>NET ASSETS AT END OF YEAR</b>	<b>311 067 008,47</b>	<b>312 743 555,20</b>

### 3. ADDITIONAL INFORMATION

#### 3.1. BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC STATUS

	Amount	%
<b>ASSETS</b>		
<b>BONDS AND SIMILAR SECURITIES</b>		
Fixed-rate bonds traded on a regulated or similar market	281 225 426,22	90,41
<b>TOTAL BONDS AND SIMILAR SECURITIES</b>	<b>281 225 426,22</b>	<b>90,41</b>
<b>DEBT SECURITIES</b>		
<b>TOTAL DEBT SECURITIES</b>		
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>SALES OF FINANCIAL INSTRUMENTS</b>		
<b>TOTAL SALES OF FINANCIAL INSTRUMENTS</b>		
<b>OFF-BALANCE SHEET</b>		
<b>HEDGING TRANSACTIONS</b>		
Credit	20 000 000,00	6,43
<b>TOTAL HEDGING TRANSACTIONS</b>	<b>20 000 000,00</b>	<b>6,43</b>
<b>OTHER TRANSACTIONS</b>		
Interest rate	159 735 000,00	51,35
<b>TOTAL OTHER TRANSACTIONS</b>	<b>159 735 000,00</b>	<b>51,35</b>



### 3.2. BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY INTEREST RATE TYPE

	Fixed rate	%	Variable rate	%	Revisable rate	%	Other	%
<b>ASSETS</b>								
Deposits								
Bonds and similar securities	281 225 426,22	90,41						
Debt securities								
Temporary securities transactions								
Financial accounts							2 692 810,51	0,87
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>								
Temporary securities transactions								
Financial accounts								
<b>OFF-BALANCE SHEET</b>								
Hedging transactions								
Other transactions	159 735 000,00	51,35						

### 3.3. BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY RESIDUAL MATURITY(\*)

	< 3 months	%	]3 months-1 year]	%	]1 - 3 years]	%	]3 - 5 years]	%	> 5 years	%
<b>ASSETS</b>										
Deposits										
Bonds and similar securities	17 480 514,23	5,62	65 815 550,88	21,16	115 351 195,92	37,08	42 891 886,65	13,79	39 686 278,54	12,76
Debt securities										
Temporary securities transactions										
Financial accounts	2 692 810,51	0,87								
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>										
Temporary securities transactions										
Financial accounts										
<b>OFF-BALANCE SHEET</b>										
Hedging transactions										
Other transactions							159 735 000,00	51,35		

(\*) Forward interest rate positions are presented according to the maturity of the underlying.

### 3.4. BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY LISTING OR VALUATION CURRENCY (EXCLUDING EUR)

	Currency 1		Currency 2		Currency 3		Currency N OTHER	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>								
Deposits								
Equities and similar securities								
Bonds and similar securities								
Debt securities								
UCI								
Temporary securities transactions								
Receivables								
Financial accounts								
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>								
Sales of financial instruments								
Temporary securities transactions								
Liabilities								
Financial accounts								
<b>OFF-BALANCE SHEET</b>								
Hedging transactions								
Other transactions								

### 3.5. RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Debit/credit item	29/09/2023
<b>RECEIVABLES</b>		
	Subscription receivables	9 565,38
	Margin cash deposits	2 259 834,00
	Collateral	1 310 000,00
<b>TOTAL RECEIVABLES</b>		<b>3 579 399,38</b>
<b>LIABILITIES</b>		
	Deferred settlement purchase	1 197 900,00
	Redemptions payable	836 071,59
	Fixed management fees	72 512,67
	Variable management fees	480 094,85
<b>TOTAL LIABILITIES</b>		<b>2 586 579,11</b>
<b>TOTAL LIABILITIES AND RECEIVABLES</b>		<b>992 820,27</b>

### 3.6. SHAREHOLDERS' EQUITY

#### 3.6.1. Number of securities issued or redeemed

	In equity	In amounts
<b>LAZARD EURO SHORT DURATION SRI IC shares</b>		
Shares subscribed during the financial year	19 255,735	86 177 269,62
Shares redeemed during the financial year	-27 445,800	-122 569 768,41
Net balance of subscriptions/redemptions	-8 190,065	-36 392 498,79
Number of shares outstanding at the end of the financial year	61 909,970	
<b>LAZARD EURO SHORT DURATION SRI ID shares</b>		
Shares subscribed during the financial year	13 861,085	31 197 236,53
Shares redeemed during the financial year	-2 876,585	-6 530 568,72
Net balance of subscriptions/redemptions	10 984,500	24 666 667,81
Number of shares outstanding at the end of the financial year	13 279,313	

#### 3.6.2. Subscription and/or redemption fees

	In amounts
<b>LAZARD EURO SHORT DURATION SRI IC shares</b>	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	

	In amounts
<b>LAZARD EURO SHORT DURATION SRI ID shares</b>	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	

### 3.7. MANAGEMENT FEES

	29/09/2023
<b>LAZARD EURO SHORT DURATION SRI IC shares</b>	
Guarantee fees	
Fixed management fees	633 257,96
Percentage of fixed management fees	0,21
Provisioned variable management fees	274 654,54
Percentage of variable management fees provisioned	0,09
Variable management fees earned	200 602,80
Percentage of variable management fees earned	0,07
Retrocessions of management fees	
<b>LAZARD EURO SHORT DURATION SRI ID shares</b>	
Guarantee fees	
Fixed management fees	56 063,64
Percentage of fixed management fees	0,21
Provisioned variable management fees	
Percentage of variable management fees provisioned	
Variable management fees earned	4 837,51
Percentage of variable management fees earned	0,02
Retrocessions of management fees	

“The amount of variable management fees shown above corresponds to the sum of the provisions and reversals of provisions that impacted the net assets during the period under review.”

### 3.8. COMMITMENTS RECEIVED AND GIVEN

#### 3.8.1. Guarantees received by the Fund:

None.

#### 3.8.2. Other commitments received and/or given:

None.

### 3.9. OTHER INFORMATION

#### 3.9.1. Present value of financial instruments held temporarily

	29/09/2023
Securities held under repurchase agreements Borrowed securities	

#### 3.9.2. Present value of financial instruments representing security deposits

	29/09/2023
Financial instruments given as security and retained under their original classification Financial instruments received as security and not recorded on the balance sheet	

#### 3.9.3. Financial instruments held, issued and/or managed by the Group

	ISIN code	Name	29/09/2023
Equities			
Bonds			
Negotiable debt securities			
UCI			26 780 303,47
	FR0010941815	LAZARD EURO MONEY MARKET	20 825 234,88
	FR0013507027	LAZARD EURO SHORT DURATION HIGH YIELD PART EVC EUR	2 768 575,00
	FR0013507019	LAZARD EURO SHORT DURATION HIGH YIELD PART PVC EUR	3 091 508,00
	FR0011291657	LAZARD EURO SHORT TERM MONEY MARKET	94 985,59
Forward financial instruments			
<b>Total group securities</b>			<b>26 780 303,47</b>

### 3.10. APPROPRIATION OF DISTRIBUTABLE AMOUNTS

Table of appropriation of distributable income pertaining to net income

	29/09/2023	30/09/2022
<b>Remaining amounts to be allocated</b>		
Retained earnings	36,79	8,49
Net income	4 044 544,43	801 180,84
Interim dividends paid on net income for the financial year		
<b>Total</b>	<b>4 044 581,22</b>	<b>801 189,33</b>

	29/09/2023	30/09/2022
<b>LAZARD EURO SHORT DURATION SRI IC shares</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	3 658 198,35	773 146,69
<b>Total</b>	<b>3 658 198,35</b>	<b>773 146,69</b>

	29/09/2023	30/09/2022
<b>LAZARD EURO SHORT DURATION SRI ID shares</b>		
<b>Appropriation</b>		
Distribution	386 295,22	28 042,61
Balance brought forward for the financial year	87,65	0,03
Accumulation		
<b>Total</b>	<b>386 382,87</b>	<b>28 042,64</b>
<b>Information on shares with dividend rights</b>		
Number of shares	13 279,313	2 294,813
Dividend per share	29,09	12,22
<b>Tax credit</b>		
<b>Tax credit attached to the distribution of earnings</b>		

Table of appropriation of distributable amounts pertaining to net capital gains and losses

	29/09/2023	30/09/2022
<b>Remaining amounts to be allocated</b>		
Undistributed net capital gains and losses recognised in previous years	866 341,63	
Net capital gains and losses for the year	-2 122 460,05	9 193 398,90
Interim dividends paid on net capital gains/losses for the financial year	-1 256 118,42	9 193 398,90
<b>Total</b>		

	29/09/2023	30/09/2022
<b>LAZARD EURO SHORT DURATION SRI IC shares</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-1 915 887,03	9 043 685,45
<b>Total</b>	<b>-1 915 887,03</b>	<b>9 043 685,45</b>

	29/09/2023	30/09/2022
<b>LAZARD EURO SHORT DURATION SRI ID shares</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses	659 768,61	149 713,45
Accumulation		
<b>Total</b>	<b>659 768,61</b>	<b>149 713,45</b>

3.11. TABLE OF THE ENTITY'S INCOME AND OTHER SIGNIFICANT ITEMS OVER THE PAST FIVE FINANCIAL YEARS

	30/09/2019	30/09/2020	30/09/2021	30/09/2022	29/09/2023
<b>Global net assets in euros</b>	<b>137 561 583,94</b>	<b>159 698 241,75</b>	<b>206 656 555,14</b>	<b>312 743 555,20</b>	<b>311 067 008,47</b>
<b>LAZARD EURO SHORT DURATION SRI IC shares in EUR</b>					
Net assets	133 506 412,23	154 520 579,56	201 572 000,41	307 649 639,21	280 779 929,10
Number of shares	30 126,061	34 795,291	44 624,619	70 100,035	61 909,970
Net asset value per share	4 431,59	4 440,84	4 517,05	4 388,72	4 535,29
Accumulation per share pertaining to net capital gains/losses	-41,40	-22,54	-55,09	129,01	-30,94
Accumulation per share pertaining to income	70,06	66,54	62,65	11,02	59,08
<b>LAZARD EURO SHORT DURATION SRI ID shares in EUR</b>					
Net assets	4 055 171,71	5 177 662,19	5 084 554,73	5 093 915,99	30 287 079,37
Number of shares	1 734,811	2 245,349	2 197,305	2 294,813	13 279,313
Net asset value per share	2 337,52	2 305,94	2 313,99	2 219,75	2 280,77
net capital gains/losses per share not distributed				65,23	49,68
Accumulation per share pertaining to net capital gains/losses	-21,88	-11,63	-28,36		
Distribution of income per share:					
Tax credit per share	37,07	35,10	35,90	12,22	29,09



### 3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS in euros

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
<b>Bonds and similar securities</b>				
<b>Bonds and similar securities traded on a regulated or similar market</b>				
<b>GERMANY</b>				
CMZB FRANCFORT 0.75% 24-03-26	EUR	1 000 000	946 404,92	0,31
CMZB FRANCFORT 4.0% 05-12-30	EUR	1 000 000	992 190,89	0,32
CMZB FRANCFORT 4.625% 21-03-28	EUR	2 000 000	2 019 085,52	0,65
CONTINENTAL 4.0% 01-03-27 EMTN	EUR	3 000 000	3 000 124,67	0,97
DEUTSCHE BK 0.75% 17-02-27	EUR	3 000 000	2 721 239,79	0,87
DEUTSCHE BK 1.375% 03-09-26	EUR	1 500 000	1 400 163,07	0,45
DEUTSCHE LUFTHANSA AG 1.625% 16-11-23	EUR	3 600 000	3 638 397,95	1,17
DEUTSCHE LUFTHANSA AG 2.875% 11-02-25	EUR	500 000	492 660,75	0,16
DEUTSCHE PFANDBRIEFBANK AG 5.0% 05-02-27	EUR	1 000 000	1 059 414,73	0,34
EEW ENERGY FROM WASTE 0.361% 30-06-26	EUR	1 000 000	884 642,02	0,28
E ON AG 0.875% 22-05-24 EMTN	EUR	2 000 000	1 967 497,10	0,63
FRESENIUS MEDICAL CARE AG 0.25% 29-11-23	EUR	2 000 000	1 992 309,18	0,64
HEIDELBERGCEMENT AG 1.5% 07-02-25	EUR	2 500 000	2 432 364,55	0,78
INFINEON TECHNOLOGIES AG 0.625% 17-02-25	EUR	2 000 000	1 913 368,22	0,62
MERCK KGAA 1.625% 25-06-79	EUR	2 000 000	1 945 822,88	0,62
SCHAEFFLER AG 1.875% 26-03-24	EUR	1 500 000	1 497 119,75	0,48
ZF FINANCE 5.75% 03-08-26 EMTN	EUR	1 000 000	1 009 513,33	0,33
<b>TOTAL GERMANY</b>			<b>29 912 319,32</b>	<b>9,62</b>
<b>AUSTRIA</b>				
OMV AG 2.875% PERP	EUR	2 000 000	1 979 903,01	0,64
<b>TOTAL AUSTRIA</b>			<b>1 979 903,01</b>	<b>0,64</b>
<b>BELGIUM</b>				
ARGENTA SPAARBANK 1.0% 13-10-26	EUR	1 000 000	937 101,03	0,30
SOLVAY 4.25% PERP	EUR	1 500 000	1 534 460,41	0,49
<b>TOTAL BELGIUM</b>			<b>2 471 561,44</b>	<b>0,79</b>
<b>DENMARK</b>				
DANSKE BK 1.0% 15-05-31 EMTN	EUR	2 000 000	1 804 144,92	0,58
DANSKE BK 1.625% 15-03-24 EMTN	EUR	1 500 000	1 496 675,37	0,48
JYSKE BANK DNK 0.375% 15-10-25	EUR	2 000 000	1 923 673,42	0,62
<b>TOTAL DENMARK</b>			<b>5 224 493,71</b>	<b>1,68</b>
<b>SPAIN</b>				
BANCO DE BADELL 2.625% 24-03-26	EUR	1 000 000	975 457,21	0,31
BANCO SANTANDER SA 0.25% 19-06-24	EUR	3 000 000	2 921 277,13	0,94
BANKIA 1.0% 25-06-24 EMTN	EUR	2 500 000	2 449 818,10	0,78
BBVA 1.0% 16-01-30	EUR	2 000 000	1 896 816,58	0,61
BBVA 1.125% 28-02-24 EMTN	EUR	2 000 000	1 989 676,71	0,64
IBERCAJA 3.75% 15-06-25	EUR	2 000 000	2 001 300,98	0,65
KUTXABANK 4.75% 15-06-27	EUR	2 700 000	2 716 270,08	0,87
NT CONS FIN 0.375% 17-01-25	EUR	1 500 000	1 435 426,44	0,46
SANT ISS 3.25% 04-04-26 EMTN	EUR	2 500 000	2 460 915,51	0,79
TELEFONICA EMISIONES SAU 1.069% 05-02-24	EUR	1 800 000	1 794 760,27	0,58
UNICAJA BAN 1.0% 01-12-26	EUR	2 000 000	1 842 927,12	0,60
UNICAJA BAN 2.875% 13-11-29	EUR	1 500 000	1 431 113,32	0,46
<b>TOTAL SPAIN</b>			<b>23 915 759,45</b>	<b>7,69</b>

### 3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS in euros

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
<b>UNITED STATES</b>				
FORD MOTOR CREDIT 3.25% 15-09-25	EUR	1 000 000	966 673,36	0,31
KELLOGG 1.0% 17-05-24	EUR	1 000 000	985 372,81	0,32
<b>TOTAL UNITED STATES</b>			<b>1 952 046,17</b>	<b>0,63</b>
<b>FRANCE</b>				
ACCOR 3.0% 04/02/2026	EUR	3 000 000	2 909 994,66	0,94
AEROPORTS DE PARIS 3.125% 06/24	EUR	2 500 000	2 508 646,52	0,80
AIR FR KLM 7.25% 31-05-26 EMTN	EUR	2 600 000	2 734 162,42	0,88
ALD 4.25% 18-01-27 EMTN	EUR	1 700 000	1 732 913,86	0,56
ARKEMA 2.75% PERP EMTN	EUR	2 000 000	1 944 944,37	0,62
BFCM BANQUE FEDERATIVE CREDIT MUTUEL 0.01% 07-03-25	EUR	1 400 000	1 320 630,33	0,42
BNP 1 1/8 10/10/2023	EUR	2 500 000	2 526 248,12	0,81
BNP PARIBAS 2.75% 27/01/26	EUR	3 000 000	2 954 220,82	0,95
BPCE 0.25% 15-01-26	EUR	2 500 000	2 294 131,68	0,74
BPCE 0.875% 31-01-24 EMTN	EUR	3 000 000	2 986 539,86	0,96
COMPAGNIE DE SAINT GOBAIN 0.625% 15-03-24	EUR	2 500 000	2 471 236,13	0,79
COVIVIO SA 1.625% 17-10-24	EUR	3 000 000	2 961 575,14	0,95
CREDIT MUTUEL ARKEA 1.25% 31-05-24	EUR	4 000 000	3 942 356,50	1,26
EDENRED 3.625% 13-12-26	EUR	1 500 000	1 502 052,43	0,48
EDF 4.0% PERP	EUR	2 300 000	2 335 857,95	0,75
ENGIE 1,375% 27/03/2025	EUR	1 500 000	1 453 369,47	0,47
ENGIE 3.25% PERP	EUR	2 000 000	1 985 893,84	0,64
FAURECIA 7.25% 15-06-26	EUR	2 000 000	2 111 480,00	0,67
FRAN 0.125% 16-03-26	EUR	3 000 000	2 740 639,43	0,89
HOLDING D INFRASTRUCTURES DES METIERS 0.125% 16-09-25	EUR	2 000 000	1 836 166,12	0,59
L OREAL S A 0.375% 29-03-24	EUR	2 000 000	1 970 292,46	0,63
LVMH MOET HENNESSY 0.0% 11-02-24	EUR	3 000 000	2 958 450,00	0,95
ORANGE 2,375% PERP	EUR	3 000 000	2 892 993,93	0,93
ORANO 5.375% 15-05-27 EMTN	EUR	1 400 000	1 447 777,75	0,47
ORANO SA 4.875% 23-09-24 EMTN	EUR	2 500 000	2 518 067,42	0,81
PERNOD RICARD 0.0% 24-10-23	EUR	2 500 000	2 494 262,50	0,81
PERNOD RICARD 3.75% 15-09-27	EUR	3 000 000	2 996 142,79	0,96
PSA BANQUE FRANCE 3.875% 19-01-26	EUR	2 000 000	2 036 718,49	0,66
RCI BANQUE 0.5% 14-07-25 EMTN	EUR	1 000 000	936 891,56	0,30
RCI BANQUE 4.125% 01-12-25	EUR	1 950 000	2 005 511,02	0,65
RENAULT 2.375% 25-05-26 EMTN	EUR	1 500 000	1 405 321,02	0,45
SCHNEIDER ELECTRIC SE 3.25% 12-06-28	EUR	3 000 000	2 968 842,46	0,96
SEB 1.375% 16-06-25	EUR	3 000 000	2 877 764,84	0,93
SEB 1.5% 31/05/2024	EUR	2 000 000	1 973 805,90	0,64
SG 1.25% 15-02-24 EMTN	EUR	4 500 000	4 487 812,71	1,45
SPIE 2.625% 18-06-26	EUR	2 000 000	1 911 698,36	0,61
TOTALENERGIES SE 1.75% PERP	EUR	4 000 000	3 953 848,74	1,27
VEOLIA ENVIRONNEMENT 0.314% 04-10-23	EUR	2 300 000	2 306 420,21	0,74
VIVENDI 0.625% 11-06-25 EMTN	EUR	1 500 000	1 415 620,08	0,45
<b>TOTAL FRANCE</b>			<b>92 811 301,89</b>	<b>29,84</b>

### 3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS in euros

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
<b>GREECE</b>				
ALPHA BANK AE 7.5% 16-06-27	EUR	1 100 000	1 168 921,67	0,38
NATL BANK OF GREECE 7.25% 22-11-27	EUR	1 400 000	1 555 761,89	0,50
NATL BANK OF GREECE 8.25% 18-07-29	EUR	1 000 000	1 031 671,56	0,33
PIRAEUS BANK 8.25% 28-01-27	EUR	1 500 000	1 650 382,19	0,53
<b>TOTAL GREECE</b>			<b>5 406 737,31</b>	<b>1,74</b>
<b>HUNGARY</b>				
RAIFFEISEN BANK RT BUDAPEST 8.75% 22-11-25	EUR	1 100 000	1 212 468,07	0,39
<b>TOTAL HUNGARY</b>			<b>1 212 468,07</b>	<b>0,39</b>
<b>IRELAND</b>				
ABBOTT IRELAND FINANCING DAC 0.1% 19-11-24	EUR	2 500 000	2 395 628,08	0,77
AIB GROUP 1.25% 28-05-24 EMTN	EUR	3 000 000	2 956 624,75	0,95
BK IRELAND 2.375% 14-10-29	EUR	1 000 000	987 869,25	0,32
BK IRELAND GROUP 1.875% 05-06-26	EUR	1 650 000	1 585 126,19	0,51
RYANAIR 0.875% 25-05-26 EMTN	EUR	1 500 000	1 385 710,25	0,45
RYANAIR 2.875% 15-09-25 EMTN	EUR	1 500 000	1 469 990,90	0,47
SMURFIT KAPPA ACQUISITIONS 2.875% 15-01-26	EUR	3 000 000	2 934 402,50	0,94
<b>TOTAL IRELAND</b>			<b>13 715 351,92</b>	<b>4,41</b>
<b>ITALY</b>				
AUTO PER 1.875% 04-11-25 EMTN	EUR	2 000 000	1 938 762,33	0,62
BANCA IFIS 6.125% 19-01-27	EUR	2 800 000	2 902 358,79	0,93
BANCA POPOLARE DELL EMILIA ROMAGNA 4.625% 22-01-25	EUR	3 000 000	3 095 549,79	1,00
BANCO BPM 1.625% 18-02-25 EMTN	EUR	1 050 000	1 011 886,22	0,32
BANCO BPM 4.875% 18-01-27 EMTN	EUR	2 700 000	2 777 028,04	0,89
ENI 2.625% PERP	EUR	1 000 000	949 094,38	0,31
FERROVIE STATO 400 1320 2207A 1.5% 27-06-25	EUR	2 000 000	1 920 402,79	0,62
INTE 1.0% 04-07-24 EMTN	EUR	3 000 000	2 937 184,02	0,94
INTE 4.375% 29-08-27 EMTN	EUR	2 000 000	1 991 287,49	0,64
MEDIOBANCABCA CREDITO FINANZ 1.6% 25-01-24	EUR	1 500 000	1 514 336,40	0,49
MEDIOBANCABCA CREDITO FINANZ 1.625% 07-01-25	EUR	1 000 000	978 791,03	0,31
MEDIOBANCABCA CREDITO FINANZ 2.3% 23-11-30	EUR	600 000	562 473,78	0,18
SNAM 1.25% 28-08-25 EMTN	EUR	2 500 000	2 375 148,77	0,76
UNICREDIT 0.5% 09-04-25 EMTN	EUR	1 500 000	1 418 727,05	0,46
UNICREDIT 1.25% 16-06-26 EMTN	EUR	1 200 000	1 140 321,21	0,37
<b>TOTAL ITALY</b>			<b>27 513 352,09</b>	<b>8,84</b>
<b>LUXEMBOURG</b>				
ARCELLOR MITTAL 4.875% 26-09-26	EUR	2 450 000	2 485 310,32	0,80
HOLCIM FINANCE REGS 2.375% 09-04-25	EUR	2 000 000	1 968 801,31	0,63
<b>TOTAL LUXEMBOURG</b>			<b>4 454 111,63</b>	<b>1,43</b>
<b>NETHERLANDS</b>				
0.25% 07-09-26 EMTN	EUR	1 200 000	1 063 881,11	0,34
ABN AMRO BK 1.25% 28-05-25	EUR	2 000 000	1 915 713,17	0,61
ABN AMRO BK 3.625% 10-01-26	EUR	1 000 000	1 017 047,81	0,33

### 3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS in euros

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
ENEL FINANCE INTERNATIONAL NV ZCP 17-06-24	EUR	2 500 000	2 428 925,00	0,78
FIAT CHRYSLER AUTOMOBILES NV 3.875% 05-01-26	EUR	600 000	617 106,33	0,20
IBERDROLA INTL BV 3.25% PERP	EUR	2 500 000	2 491 366,44	0,80
KPN 0,625% 09-04-25	EUR	3 000 000	2 863 087,62	0,92
LEASEPLAN CORPORATION NV 2,125% 03-10-22	EUR	1 500 000	1 463 653,52	0,47
MERCEDES BENZ INTL FINANCE BV 0.25% 06-11-23	EUR	2 500 000	2 496 955,31	0,80
RABOBK 0.625% 27-02-24 EMTN	EUR	3 500 000	3 465 395,07	1,12
REPSOL INTL FINANCE BV 0.125% 05-10-24	EUR	3 000 000	2 886 084,45	0,93
SCHLUMBERGER FINANCE BV 0.0% 15-10-24	EUR	1 000 000	959 170,00	0,30
TELEFONICA EUROPE BV 4.375% PERP	EUR	2 000 000	2 011 581,42	0,65
WOLTERS KLUWER NV 3.0% 23-09-26	EUR	1 400 000	1 370 270,54	0,44
<b>TOTAL NETHERLANDS</b>			<b>27 050 237,79</b>	<b>8,69</b>
<b>PORTUGAL</b>				
BCP 5.625% 02-10-26 EMTN	EUR	1 200 000	1 200 946,43	0,38
BCP 8.5% 25-10-25 EMTN	EUR	2 000 000	2 227 563,42	0,72
CAIXA GEN 1.25% 25-11-24 EMTN	EUR	1 000 000	975 799,93	0,32
ENERGIAS DE PORTUGAL EDP 4.496% 30-04-79	EUR	2 000 000	2 029 656,56	0,65
<b>TOTAL PORTUGAL</b>			<b>6 433 966,34</b>	<b>2,07</b>
<b>CZECH REPUBLIC</b>				
CESKA SPORITELNA AS 5.943% 29-06-27	EUR	1 000 000	1 026 393,20	0,33
<b>TOTAL CZECH REPUBLIC</b>			<b>1 026 393,20</b>	<b>0,33</b>
<b>UNITED KINGDOM</b>				
BARCLAYS 2.885% 31-01-27 EMTN	EUR	3 000 000	2 939 370,21	0,94
BP CAP MK 1.876% 07-04-24	EUR	3 000 000	2 992 814,92	0,97
CASA LONDON 0.5% 24-06-24 EMTN	EUR	3 000 000	2 929 154,34	0,94
CASA LONDON 1.375% 13-03-25	EUR	2 500 000	2 421 847,34	0,77
EASYJET 0.875% 11-06-25 EMTN	EUR	3 000 000	2 845 096,23	0,91
HSBC 0.875% 06-09-24	EUR	2 500 000	2 428 988,73	0,78
STANDARD CHARTERED 2.5% 09-09-30	EUR	2 000 000	1 892 848,69	0,61
VIRGIN MONEY UK 2.875% 24-06-25	EUR	2 500 000	2 466 596,86	0,80
VODAFONE GROUP 1.125% 20-11-25	EUR	3 000 000	2 861 476,64	0,92
<b>TOTAL UNITED KINGDOM</b>			<b>23 778 193,96</b>	<b>7,64</b>
<b>SLOVENIA</b>				
NOVA KREDITNA BANKA MARIBOR DD 7.375% 29-06-26	EUR	1 300 000	1 353 734,54	0,44
NOVA LJUBLJANSKA BANKA DD 7.125% 27-06-27	EUR	700 000	735 544,51	0,23
<b>TOTAL SLOVENIA</b>			<b>2 089 279,05</b>	<b>0,67</b>
<b>SWEDEN</b>				
CASTSS 2 1/8 11/20/23	EUR	2 000 000	2 025 920,96	0,65
SECURITAS AB 1.125% 20-02-24	EUR	1 300 000	1 291 822,91	0,42
SKANDINAVISKA ENSKILDA BANKEN AB 1.375% 31-10-28	EUR	3 000 000	3 031 725,62	0,98
VOLVO TREASURY AB 0.0% 09-05-24	EUR	2 000 000	1 950 900,00	0,62
<b>TOTAL SWEDEN</b>			<b>8 300 369,49</b>	<b>2,67</b>
<b>SWITZERLAND</b>				
UBS GROUP AG 1.0% 21-03-25	EUR	2 000 000	1 977 580,38	0,64
<b>TOTAL SWITZERLAND</b>			<b>1 977 580,38</b>	<b>0,64</b>

### 3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS in euros

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
<b>TOTAL Bonds and similar securities traded on a regulated or similar market</b>			<b>281 225 426,22</b>	<b>90,41</b>
<b>TOTAL Bonds and similar securities</b>			<b>281 225 426,22</b>	<b>90,41</b>
<b>Undertakings for collective investment</b>				
<b>General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries</b>				
<b>FRANCE</b>				
LAZARD EURO MONEY MARKET	EUR	20,007	20 825 234,88	6,70
LAZARD EURO SHORT DURATION HIGH YIELD PART EVC EUR	EUR	2 500	2 768 575,00	0,89
LAZARD EURO SHORT DURATION HIGH YIELD PART PVC EUR	EUR	2 800	3 091 508,00	0,99
LAZARD EURO SHORT TERM MONEY MARKET	EUR	47	94 985,59	0,03
<b>TOTAL FRANCE</b>			<b>26 780 303,47</b>	<b>8,61</b>
<b>TOTAL general UCITS and general AIFs aimed at non-professionals and their equivalent in other countries</b>			<b>26 780 303,47</b>	<b>8,61</b>
<b>TOTAL Undertakings for collective investment</b>			<b>26 780 303,47</b>	<b>8,61</b>
<b>Forward financial instruments</b>				
<b>Futures contracts</b>				
<b>Futures contracts on a regulated or equivalent market</b>				
EURO BOBL 1223	EUR	1 380	-1 426 200,00	-0,46
<b>TOTAL Futures contracts on a regulated or equivalent market</b>			<b>-1 426 200,00</b>	<b>-0,46</b>
<b>TOTAL Futures contracts</b>			<b>-1 426 200,00</b>	<b>-0,46</b>
<b>Other forward financial instruments</b>				
<b>Credit Default Swap</b>				
ITRAXX EUR XOVER S40	EUR	-20 000 000	-624 352,00	-0,20
<b>TOTAL Credit Default Swap</b>			<b>-624 352,00</b>	<b>-0,20</b>
<b>TOTAL Other forward financial instruments</b>			<b>-624 352,00</b>	<b>-0,20</b>
<b>TOTAL Forward financial instruments</b>			<b>-2 050 552,00</b>	<b>-0,66</b>
<b>Margin call</b>				
CACEIS MARGIN CALL	EUR	1 426 200	1 426 200,00	0,46
<b>TOTAL Margin call</b>			<b>1 426 200,00</b>	<b>0,46</b>
<b>Receivables</b>			<b>3 579 399,38</b>	<b>1,15</b>
<b>Liabilities</b>			<b>-2 586 579,11</b>	<b>-0,84</b>
<b>Financial accounts</b>			<b>2 692 810,51</b>	<b>0,87</b>
<b>Net assets</b>			<b>311 067 008,47</b>	<b>100,00</b>

LAZARD EURO SHORT DURATION SRI ID shares	EUR	13 279,313	2 280,77	
LAZARD EURO SHORT DURATION SRI IC shares	EUR	61 909,970	4 535,29	

## ADDITIONAL INFORMATION ON THE TAX REGIME APPLICABLE TO INTEREST PAYMENTS

Breakdown of interest: LAZARD EURO SHORT DURATION SRI ID shares

	NET OVERALL	CURRENCY	NET PER SHARE	CURRENCY
Revenue subject to non-definitive withholding tax	386 295,22	EUR	29,09	EUR
Equities eligible for a tax allowance and subject to non-definitive withholding tax				
Other income not eligible for a tax allowance and subject to non-definitive withholding tax				
Non-declarable and non-taxable income				
Amounts paid out in relation to capital gains and losses				
TOTAL	386 295,22	EUR	29,09	EUR

## TEXT OF RESOLUTIONS

### LAZARD EURO SHORT DURATION SRI

French open-end investment company (Société d'Investissement à Capital Variable)

Registered office: 10, avenue Percier - 75008 Paris

Paris Trade and Companies Register no. 444 710 784

### SHAREHOLDERS' MEETING OF DECEMBER 14TH, 2023

#### Second resolution

The Shareholders' Meeting approves the distributable income for the financial year, which amounts to:

€4 044 581,22     Distributable amount pertaining to net income  
-€1 256 118,42     Distributable amount pertaining to net capital gains and losses

and decides that they shall be allocated as follows:

**1) For the distributable amount pertaining to net income:**

IC shares:	3 658 198,35 €	Accumulation,
ID shares:	386 295,22 €	Distribution and
	87,65 €	Retained

Each shareholder holding "ID" shares on the detachment date will receive a dividend of **€29,09** per share which will be detached on **December 18th, 2023** and paid on **December 20th, 2023**.

**2) For the distributable amount pertaining to net capital gains and losses:**

IC shares:	-1 915 887,03 €	Accumulation
ID shares:	659 768,61 €	Retained

For information: Dividends paid over the last five financial years

Year ended:	Unit amount/share ID (ex D share)
2021-2022	12,22 €
2020-2021	35,90 €
2019-2020	35,10 €
2018-2019	37,07 €
2017-2018	32,35 €

\* \* \*

## 7. APPENDIX(ES)



# Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** LAZARD EURO SHORT DURATION SRI

**Legal entity identifier:** 969500VAX8WSKWPHQ568

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Did this financial product have a sustainable investment objective?

**Yes**

- It made **sustainable investments with an environmental objective**:
  - in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- It made a minimum of **sustainable investments with a social objective**

**No**

- It promoted **Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 50,57% of sustainable investments
  - with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
  - with a social objective
- It promoted E/S characteristics, but **did not make any sustainable investments**



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## To what extent was the sustainable investment objective of this financial product met?

In implementing its investment strategy, security analysis, and ESG integration process described below, the portfolio promotes the following environmental characteristics:

### Environmental policy:

- Integration by companies of environmental factors appropriate to the sector, geographic location and any other relevant material factor
- Development of an environmental management strategy and system
- Development of a climate strategy

### Controlling environmental impacts:

- Limiting and adapting to global warming
- Responsible water and waste management
- Preservation of biodiversity

### Managing the environmental impact of products and services:

- Ecodesign of products and services
- Environmental innovation

Moreover, the portfolio promotes the following social characteristics:

### Respect for human rights:

- Prevention of situations of human rights violations
- Respect for the right to safety and security of persons
- Privacy and data protection

### Human resources management:

- Constructive social dialogue
- Training and career management conducive to human development
- Promoting diversity
- Health, safety and well-being at work

### Value chain management:

- Responsible supply chain management
- Product quality, safety and traceability

This product does not use a specific index to determine its alignment with the environmental and social characteristics it promotes.

## ● **How did the sustainability indicators perform?**

The achievement of the environmental and social characteristics promoted by this product is measured by sustainability indicators at several levels:

In terms of valuation in the internal analysis model:

The ESG analysis of directly held securities is based on a proprietary model that relies on an internal ESG grid. Based on the various data provided by our ESG partners (non-financial analysis agencies, external service providers, etc.), the annual reports of the companies and direct exchanges with them, the analysts responsible for monitoring each stock draw up an internal ESG rating.

This rating is based on both a quantitative (energy intensity, staff turnover rate, board independence rate, etc.) and qualitative approach (solidity of environmental policy, employment strategy, competence of directors, etc.).

Each E, S and G pillar is rated from 1 to 5 based on a minimum of ten relevant key indicators per dimension.

These internal ESG ratings are built into the valuation models through the Beta used to define the weighted average cost of capital (WACC) for equity management and to the issuer selection process and the determination of issuers' weight in the portfolio for bond management.

In terms of controlling the elements of the investment strategy with an external data provider:

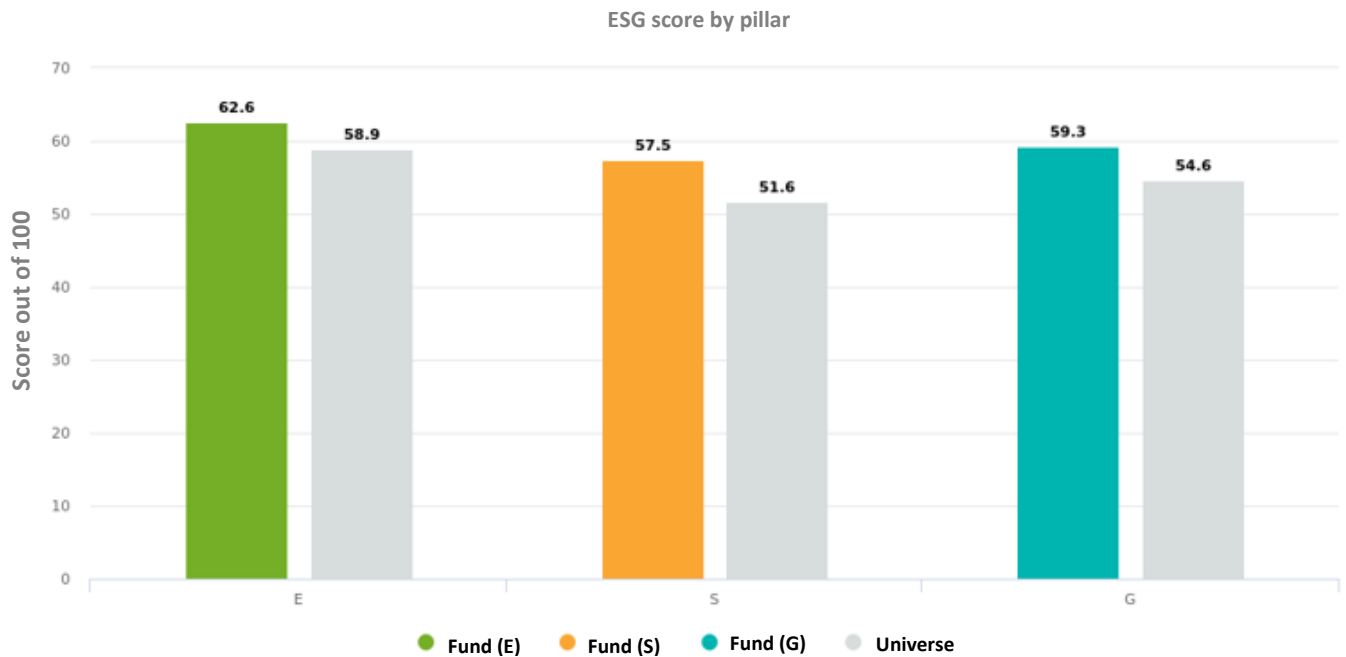
In addition, to confirm the robustness of the internal model, the analysts-managers in charge of management compare the portfolio's average ESG rating to that of its reference ESG universe using Moody's ESG Solutions ratings.

Evolution of the ESG score



The portfolio's reference ESG universe is:  
10% ICE BofA Euro Non-Financial Fixed & Floating Rate High Yield

Constrained Index  
Bloomberg code: HEAE Index;  
90% ICE BofAML 1-3 Year Euro Corporate Index Total Return EUR  
Bloomberg Code: ER01 Index



● ***...and compared to previous periods?***

Not applicable

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The definition of sustainable investment within the meaning of the SFDR is based on the selection of indicators that show a substantial contribution to one or more environmental and social objectives, which do not prejudice any of the adverse impact indicators and ensures good governance principles.

The environmental indicators used are as follows:

- Carbon footprint (PAI 2)
- Carbon intensity (PAI 3)
- Implied temperature rise (ITR)
- Number of "low-carbon" patents held

The social indicators used are as follows:

- % of women in executive management
- Number of hours of training for employees
- Benefits coverage
- Diversity policies by management

A sustainable investment objective is attained if the substantial contribution of the corresponding indicator is validated, the other indicators are not prejudiced, and good governance principles are complied with.

Substantial contribution is measured by the application of thresholds for each of the above indicators.

The table below presents the rules (targets) set for each indicator as well as the result obtained over the past period. The result is the average share of the portfolio invested in companies meeting these criteria, calculated on a quarterly basis. The average share is calculated according to the average positions observed over the past period, coupled with the non-financial data at the end of the period.

	<b>Rule</b>	<b>Average share of the portfolio</b>
<b>Carbon footprint in €m</b>	Included in the lowest 20% of the sector	38,09%
<b>GHG intensity</b>	Included in the lowest 20% of the sector	9,37%
<b>Implied temperature rise in 2100</b>	≤2°C	23,84%
<b>Number of low-carbon patents</b>	Included in the top 20% of the universe	9,32%
<b>% of women in executive management</b>	Included in the top 20% of the universe	10,95%
<b>Number of hours of training for employees</b>	Included in the top 20% of the universe	1,36%
<b>Benefits coverage</b>	See sustainable investment presentation <a href="http://www.lazardfreresgestion.fr">www.lazardfreresgestion.fr</a>	12,73%
<b>Diversity policies by management</b>	See presentation <a href="http://www.lazardfreresgestion.fr">www.lazardfreresgestion.fr</a>	5,35%

- ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

The absence of significant harm is assessed on the basis of all the PAI indicators listed in Table 1 of Annex I to Delegated Regulation (EU) 2022/1288 of 6 April 2022. In the event of insufficient coverage of the investment universe for certain indicators, alternative criteria may be used on an exceptional basis (such as for PAI 12, use of an indicator on management attention to diversity). Using alternative criteria is subject to the independent control of the Risks and Compliance department. Alternative indicators are also presented on the Lazard Frères Gestion website under the heading “Sustainable investment methodology”.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Indicators of the principal adverse sustainability impacts (PAI) are considered at two levels.

Firstly, they are integrated into the internal analysis of each security monitored, carried out by our analyst-managers in the internal ESG analysis grids.

In addition, they are used to assess the share of sustainable investments.

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Compliance with minimum labour and human rights safeguards (OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights) and the eight fundamental conventions of the International Labour Organization is a key indicator for verifying that companies in which investments are made apply good governance practices.

We therefore check whether the company applies a labour rights due diligence policy in accordance with the eight fundamental conventions of the International Labour Organization (PAI 10) as part of our DNSH process. We also ensure that the investments made apply good governance practices, by monitoring a governance rating from a data provider and the internal rating on the Governance pillar.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### How did this financial product consider principal adverse impacts on sustainability factors?

The proprietary model for ESG analysis of portfolio companies takes into account all indicators related to companies’ principal adverse sustainability impacts (PAI).

These indicators are integrated into the internal grids used to establish a security’s ESG rating, which is taken into account in the valuation models through the Beta used to define the weighted average cost of capital for equity management and in the process of selecting issuers and determining their portfolio weight for bond management.

In addition, as stated above, all of the PAI indicators listed in Table 1 of Annex I of the Regulatory Technical Standards of the SFDR are taken into account in the definition of sustainable investment.



### What were the top investments of this financial product?

Largest investments	Sector	Percentage of assets	Country
1. OBJECTIF MONETAIRE EURO-B	UCI		France

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is:  
01/10/2022 to  
30/09/2023

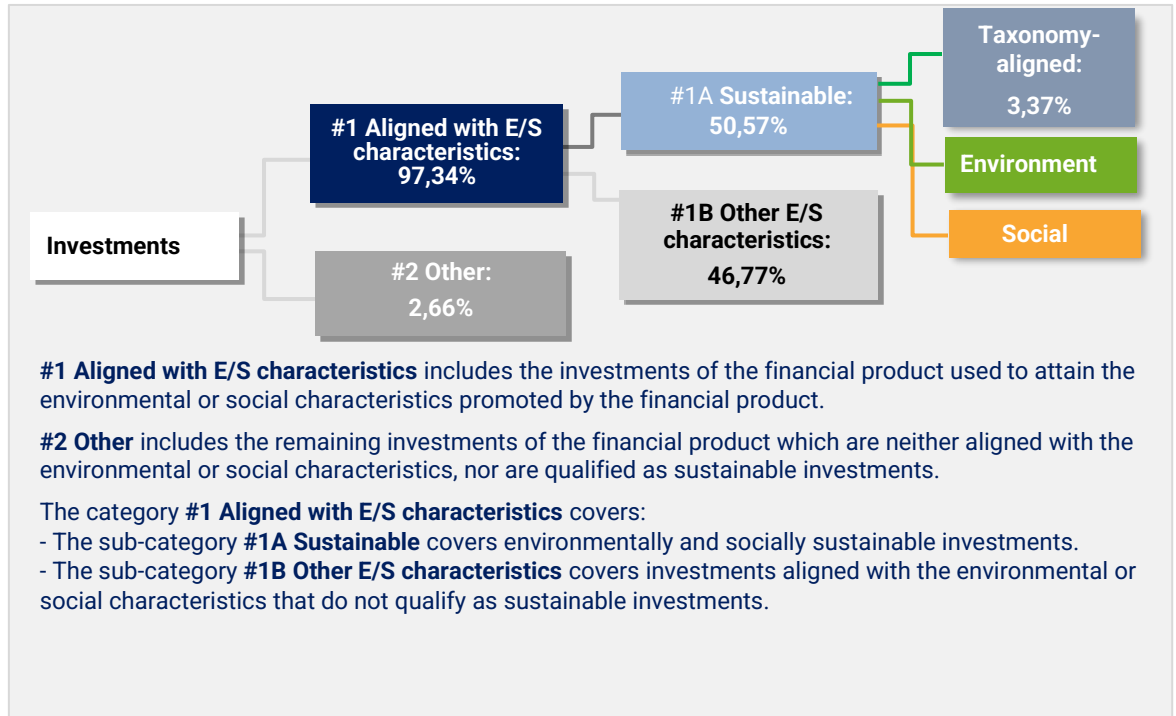
<b>Largest investments</b>	<b>Sector</b>	<b>Percentage of assets</b>	<b>Country</b>
<b>2. SOCIETE GENERALE 1.25% 19-15/02/2024</b>	Financial and insurance activities	1,38%	France
<b>3. LAZARD EU SHRT TRM MONEY M-C</b>	UCI	1,31%	France
<b>4. TOTALENERGIES SE 1.75% PERP</b>	Manufacturing	1,21%	France
<b>5. DEUTSCHE LUFTHANSA AG 1.625% 16-11-23</b>	Transportation and storage	1,12%	Germany
<b>6. RABOBK 0.625% 27- 02-24 EMTN</b>	Financial and insurance activities	1,07%	Netherlands
<b>7. CREDIT MUTUEL ARKEA 1.25% 31-05- 24</b>	Financial and insurance activities	1,03%	France
<b>8. BANCA POPOLARE DELL EMILIA ROMAGNA 4.625% 22- 01-25</b>	Financial and insurance activities	0,95%	Italy
<b>9. LAZARD EURO SHORT HIGH YIELD</b>	UCI	0,95%	France
<b>10. BP CAP MK 1.876% 07-04-24</b>	Unknown sector	0,93%	United Kingdom
<b>11. SKANDINAVISKA ENSKILDA BANKEN AB 1.375% 31-10-28</b>	Financial and insurance activities	0,92%	Sweden
<b>12. BPCE 0.875% 31-01- 24 EMTN</b>	Financial and insurance activities	0,92%	France
<b>13. COVIVIO SA 1.625% 17-10-24</b>	Real estate activities	0,91%	France
<b>14. LVMH MOET HENNESSY 0.0% 11- 02-24</b>	Manufacturing	0,91%	France
<b>15. INTESA SANPAOLO 1% 19-04/07/2024</b>	Financial and insurance activities	0,91%	Italy





## What was the proportion of sustainability-related investment?

### ● What was the asset allocation?

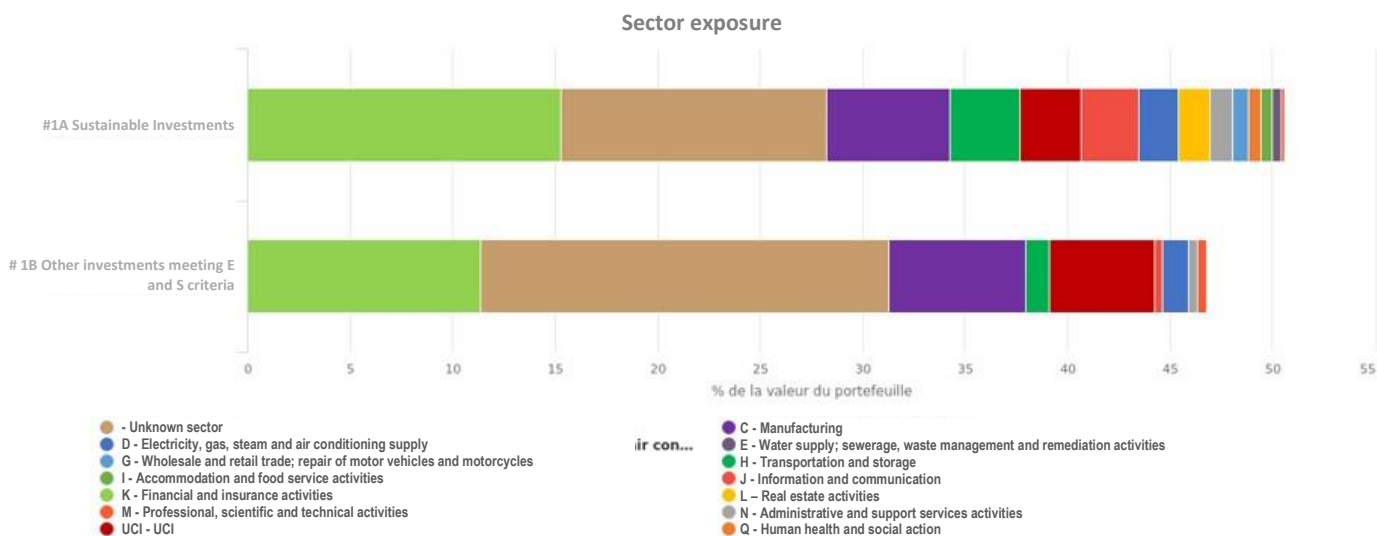


**Asset allocation** describes the share of investments in specific assets.

Details of sustainable investments	
Weight of sustainable investments in the portfolio	50,57%
Of which sustainable investments E	47,42%
Of which sustainable investments S	30,92%

An investment is considered sustainable if it complies with at least one of the rules presented above, while not harming any of the adverse impact indicators and ensuring good governance criteria. A company can therefore be considered as environmentally and socially sustainable.

● **In which economic sectors were the investments made?**



Exposure to the fossil fuel sector was 10,19% on average over the period.

Taxonomy-aligned activities are expressed as a share of:

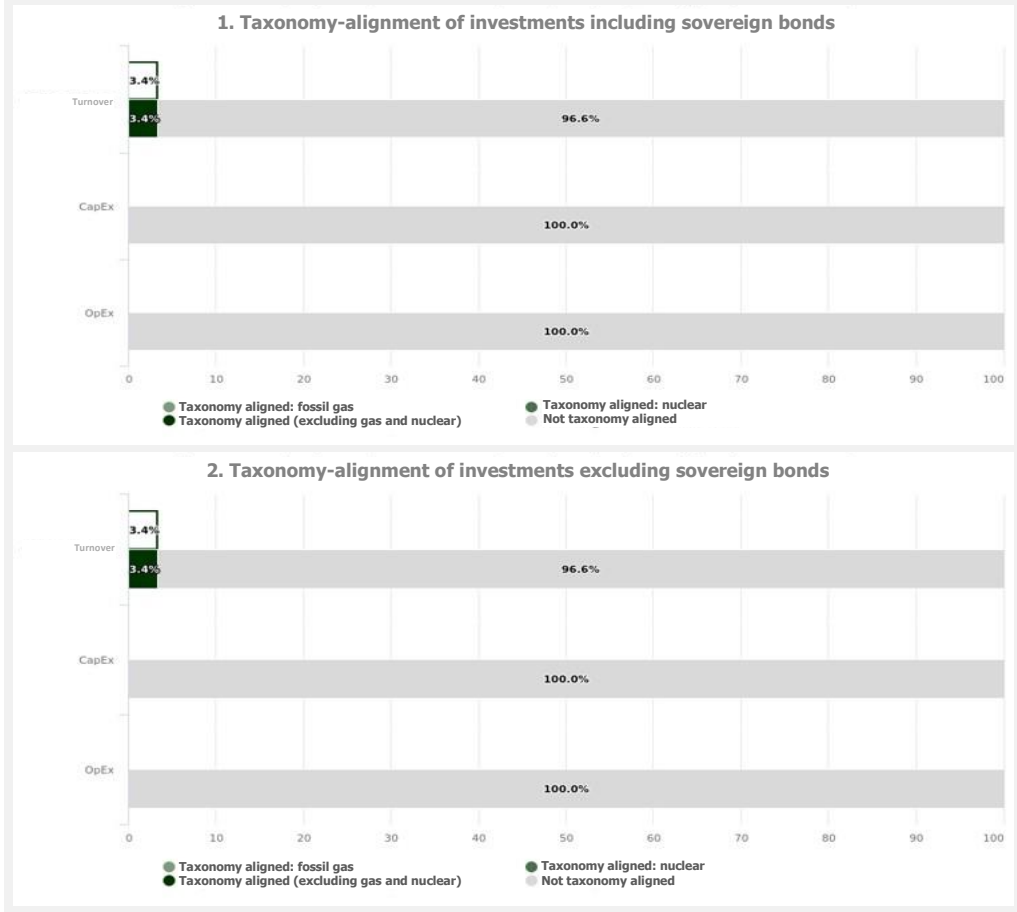
- **turnover** reflects the "greenness" of investee companies today;
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy;
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

● **Has the financial product invested in Taxonomy aligned activities linked to fossil fuels and/or nuclear energy?**

At the date of production of this document, Lazard Frères Gestion does not have the data needed to identify the share of activities related to Taxonomy aligned fossil fuel and/or nuclear energy sectors.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The calculation of investment percentages aligned with the EU Taxonomy is based on estimated data.

● **What was the share of investments made in transitional and enabling activities?**

At the date of production of this document, Lazard Frères Gestion does not have the data needed to identify the share of transitional or enabling activities.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



### **What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 45,28%

It corresponds to all activities not aligned with the Taxonomy but respecting the environmental objectives of sustainable investment mentioned above.



### **What was the share of socially sustainable investments?**

The share of socially sustainable investments is 30,92%

It corresponds to all activities that achieve one or more of the social objectives of sustainable investment mentioned above.



### **What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?**

The "other" category consists mainly of money market UCIs and cash. Over the past period, the "other" segment represented on average 2,66%.



### **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

To promote environmental and social characteristics, the following elements have been respected:

- The non-financial analysis rate

The non-financial analysis rate of the product's investments is over 90%. This rate is expressed as a percentage of total assets.

Over the past period, the non-financial analysis rate was 97,34% on average.

- The portfolio's average ESG rating

The analysts-managers ensure that the portfolio's weighted average ESG rating is higher than the average of the reference universe by using Moody's ESG Solutions non-financial rating framework, after eliminating the 20% of the lowest rated securities.

In addition, the management company makes exclusions prior to investments:

- Normative exclusions related to controversial weapons (cluster munitions, anti-personnel mines, biological and chemical weapons) and violations of the UN Global Compact.
- Sector exclusions (tobacco and thermal coal).
- Geographical exclusions (tax havens on the FATF list).

For more information on the engagement and voting policy, please refer to the voting and engagement reports available at <https://www.lazardfreresgestion.fr>.



### **How did this financial product perform compared to the reference benchmark?**

Not applicable.

**Benchmark indices** are indices used to measure whether the financial product has the environmental or social characteristics it promotes.

- ***How does the reference benchmark differ from a broad market index?***

Not applicable.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

Not applicable.

- ***How did this financial product perform compared with the reference benchmark?***

Not applicable.

- ***How did this financial product perform compared with the broad market index?***

Not applicable.